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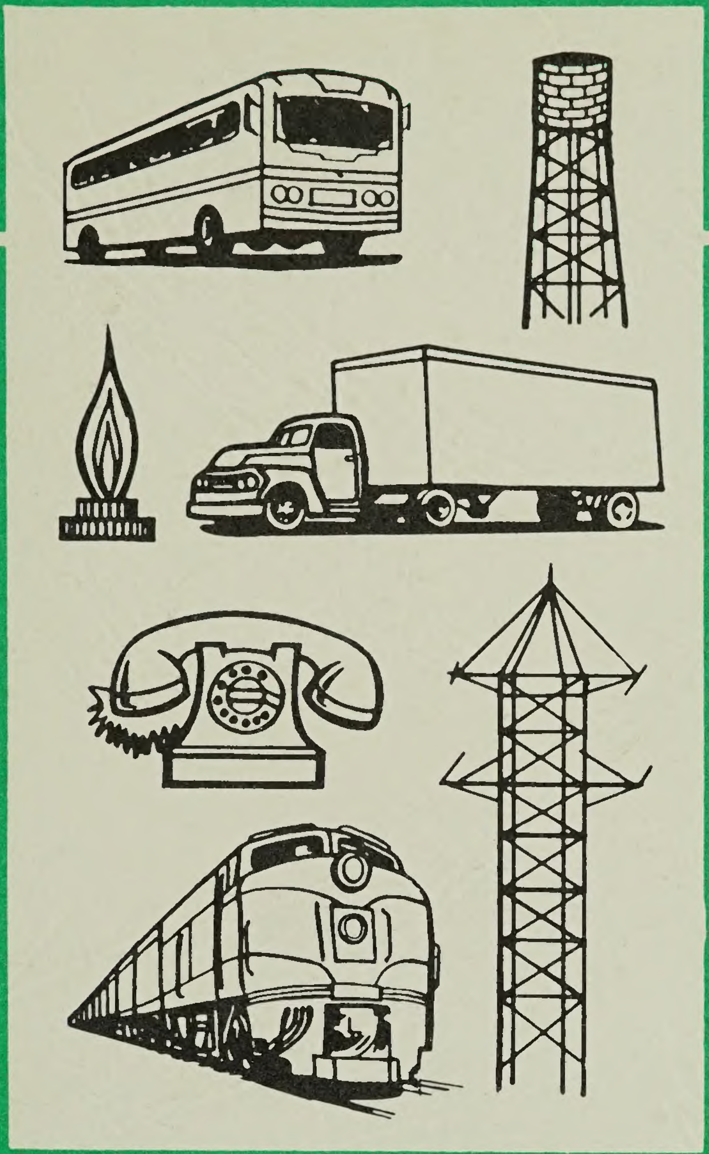

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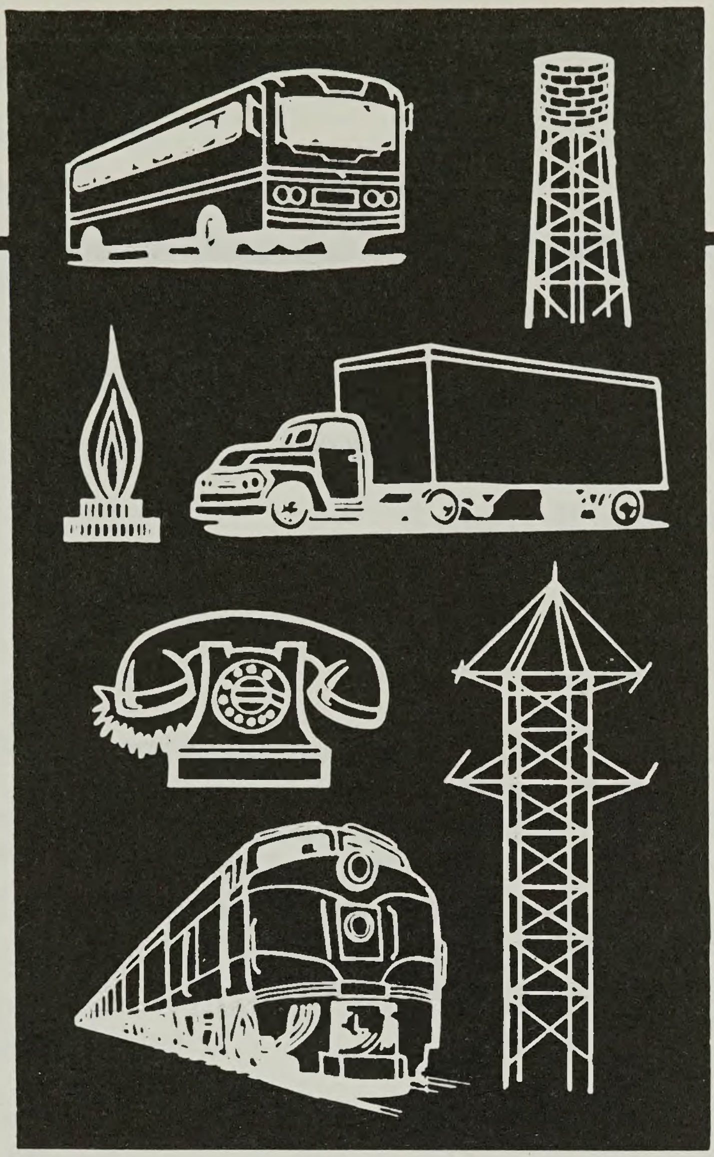
North Carolina Utilities Commission

1980 Report — VOL. XIII

Major Activities — September 1978 through September 1980
with
Statistical and Analytical Data Through 1978



North Carolina Utilities Commission

1980 Report — VOL. XIII

Major Activities — September 1978 through September 1980
with
Statistical and Analytical Data Through 1978

LETTER OF TRANSMITTAL

December 15, 1980

The Honorable James B. Hunt, Jr.
The Governor of North Carolina
Raleigh

Dear Governor Hunt:

We hereby present for your consideration the 1980 Report of the North Carolina Utilities Commission pursuant to Section 17 of the Public Utilities Act of 1963 as amended in 1977 (G.S. 62-17). The report covers the major activities of the Commission for the period September 1978 through September 1980 with statistical and analytical data for the operations of the utilities through 1978.

Respectfully submitted,
Robert K. Koger, Chairman
A. Hartwell Campbell, Commissioner
Leigh H. Hammond, Commissioner
Edward B. Hipp, Commissioner
Douglas P. Leary, Commissioner
Sarah Lindsay Tate, Commissioner
John W. Winters, Commissioner

Prepared by

North Carolina Utilities Commission
Finance, Statistics, Budget & Planning Division
P.O. Box 991 — Raleigh, N.C. 27602
Telephone No. 919/733-7680

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I. Organization And History

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A. COMMISSION STAFF AND ORGANIZATION CHART.

There were seven commissioners and 81 funded positions comprising the Commission Staff as of June 30, 1979.

NORTH CAROLINA UTILITIES COMMISSION
COMMISSION STAFF
Commissioners & Supervisory Personnel
As of October 1, 1980

Commissioners

Robert K. Koger, Chairman

A. Hartwell Campbell
Commissioner

Dr. Leigh H. Hammond
Commissioner

Edward B. Hipp
Commissioner

Douglas P. Leary
Commissioner

Sarah Lindsay Tate
Commissioner

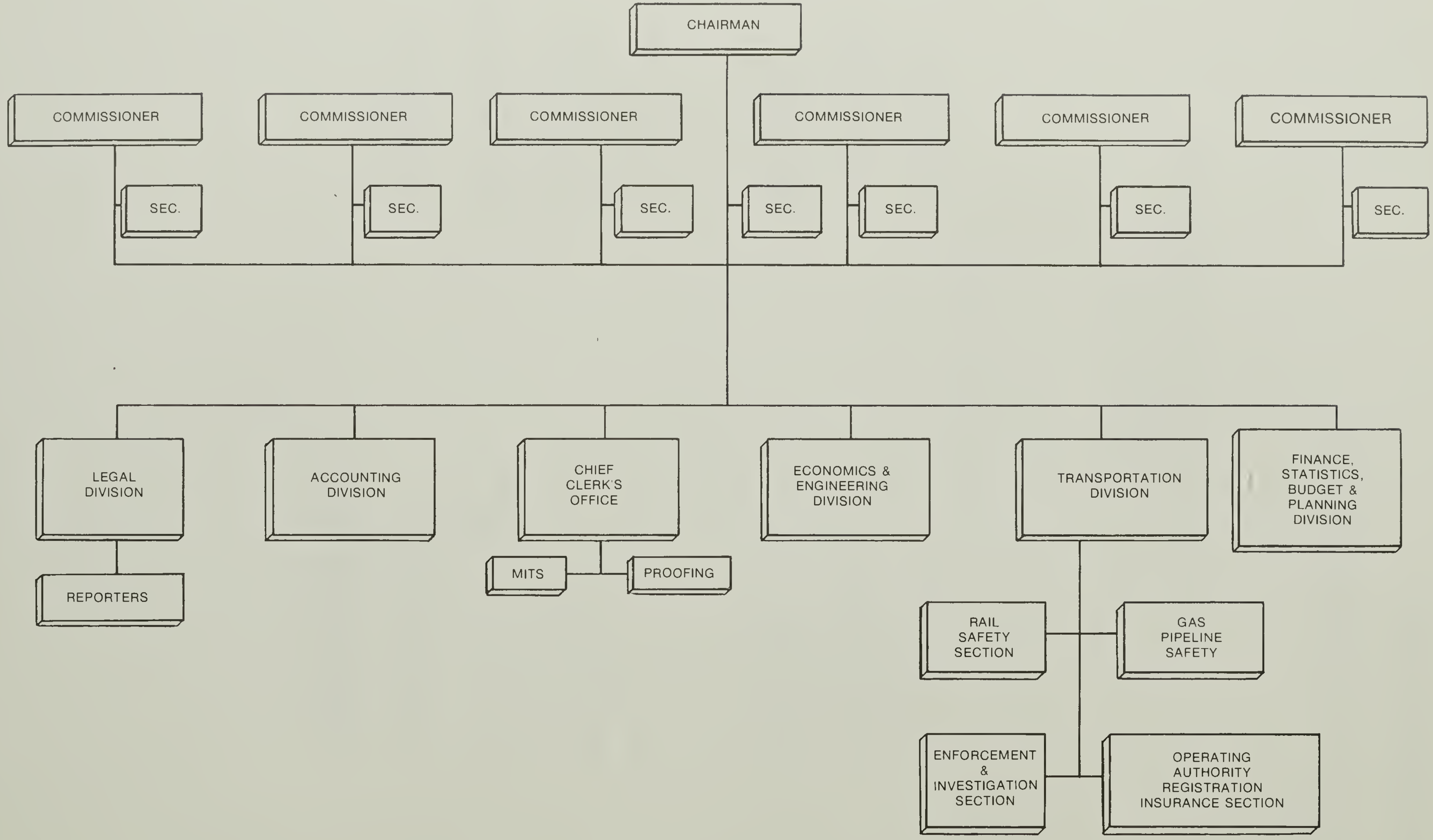
John W. Winters
Commissioner

Staff Heads & Directors

Chief Clerk	Mrs. Sandra Webster
Legal Division	Robert P. Gruber
Accounting Division	Donald R. Hoover
Engineering Division: Electric	Allen L. Clapp
Gas	Ms. Conniesue Oldham
Finance, Statistics, Budget & Planning Division	Joseph W. Smith
Transportation Division (Includes Motor, Rail and Gas Pipeline Safety Activities)	I. H. Hinton

FIGURE NO. 1

ORGANIZATION CHART FOR COMMISSION STAFF
OCTOBER 1980



B. BIOGRAPHICAL SKETCH OF COMMISSIONERS

Robert K. Koger, Chairman: Born September 10, 1936, in Byrdstown, Tennessee; University of Tennessee (BS), North Carolina State University (Master of Economics), Ph.D. candidate in industrial engineering; REA Telephone Communications Engineer (1958-67), NCUC Utilities Engineer (1967-70), Director of NCUC Engineering Division (1970-77); assumed Commissionership May 24, 1977, current term ends July 1, 1981; married (Jeanne), three children.

A. Hartwell Campbell, Commissioner: Democrat; born October 8, 1916, in Buie's Creek, North Carolina; Campbell College (AA), Wake Forest University (BS), University of North Carolina, Yale University (BD); minister of church (1941-46), manager and owner of radio and television stations (1946-79), member of State Physical Fitness Commission, member of Greenville City School Board (1958-63) and City Council (1963-64), State representative (1969-79); assumed Commissionership July 2, 1979, current term ends June 30, 1987; married (Verda), three sons.

Leigh H. Hammond, Commissioner: Born July 4, 1929, in Seneca, South Carolina; Clemson University (Economics Degree), University of Tennessee (MS), North Carolina State University (Ph.D.); U.S. Army officer (1952-54), Director of Statistics and Economics for National Carriers Association (1962-64), Professor of Economics, North Carolina State University (1964-77), Director of North Carolina Coastal Plains Regional Commission (1969-70), Deputy Secretary of North Carolina Department of Administration (1970-73), Assistant Vice Chancellor of North Carolina State University (1973-77), Member of North Carolina Marine Sciences Council (1971-75), author; assumed Commissionership May 24, 1977, current term ends July 1, 1985; married (Cynthia), four children.

Edward B. Hipp, Commissioner: Born August 30, 1921, in Charlotte, North Carolina; Davidson College (BS), University of North Carolina (JD); U.S. Army officer (1942-46) (awarded Silver Star and Purple Heart), private law practice (1953-62), staff tax attorney and Revisor of Statutes for North Carolina Attorney General's Office (1950-53), special counsel for North Carolina General Statutes Commission Utility Law Revision (1962-63), North Carolina UC General Counsel (1963-77); assumed Commissionership October 21, 1977, current term ends July 1, 1981; married (Dorothy), three children.

Douglas P. Leary, Commissioner: Democrat; born June 1, 1935, in Tyner, North Carolina; East Carolina University (BS-Business Administration); United States Army (1954-56, served in Korea); Carolina Telephone & Telegraph Company (1960-61), Executive Staff Assistant at Four County Electric Membership Corporation (1961-72), General Manager of Wake Electric Membership Corporation (1972-79); assumed Commissionership January 1, 1980, current term to end July 1, 1985; married (Becky), three sons.

Sarah Lindsay Tate, Commissioner: Born March 14, 1927, in Charlotte, North Carolina; University of North Carolina (AB, LLB); Raleigh private law practice; assumed Commissionership May 24, 1977, current term ends June 30, 1985; one daughter.

John W. Winters, Sr., Commissioner: Born January 21, 1920, in Raleigh, North Carolina; Virginia State College, Shaw University (LLD-Honorary); Raleigh City Councilman (1961-67), State Senator (1974-77), real estate broker and builder, Vice Chairman of Human Relations Commission (1963-69), civic activist; assumed Commissionership July 1, 1977, current term ends June 30, 1983; married (Marie), seven children.

C. PUBLIC STAFF AND ORGANIZATION CHART

As of June 30, 1979, there were an Executive Director and 88 funded positions comprising the Public Staff of the North Carolina Utilities Commission.

PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION
October 1, 1980

Executive Director
Dr. Robert Fischbach

Administrative Assistant	Mary H. Cameron
Accounting Division	Nancy B. Bright
Communications Division	Gene A. Clemmons
Consumer Services Division	J. Craig Stevens
Economic Research Division	William F. Watson
Electric Division	Dennis J. Nightingale
Gas Division	Raymond J. Nery
Legal Division	Jerry B. Fruitt
Transportation Rates Division	James C. Turner
Water Division	Henry R. Payne

D. BIOGRAPHICAL SKETCH OF EXECUTIVE DIRECTOR

Dr. Fischbach was named Executive Director on September 13, 1979. From July 1, 1977 until this appointment he had been serving as a member of the North Carolina Utilities Commission; prior to that he had been employed in the private sector as a research scientist. Dr. Fischbach holds B.S. degrees in Mathematics and Physics from the University of Richmond. He earned his Ph.D. in Physics from the University of Virginia.

FIGURE NO. 2
PUBLIC STAFF — ORGANIZATIONAL CHART
October 1980

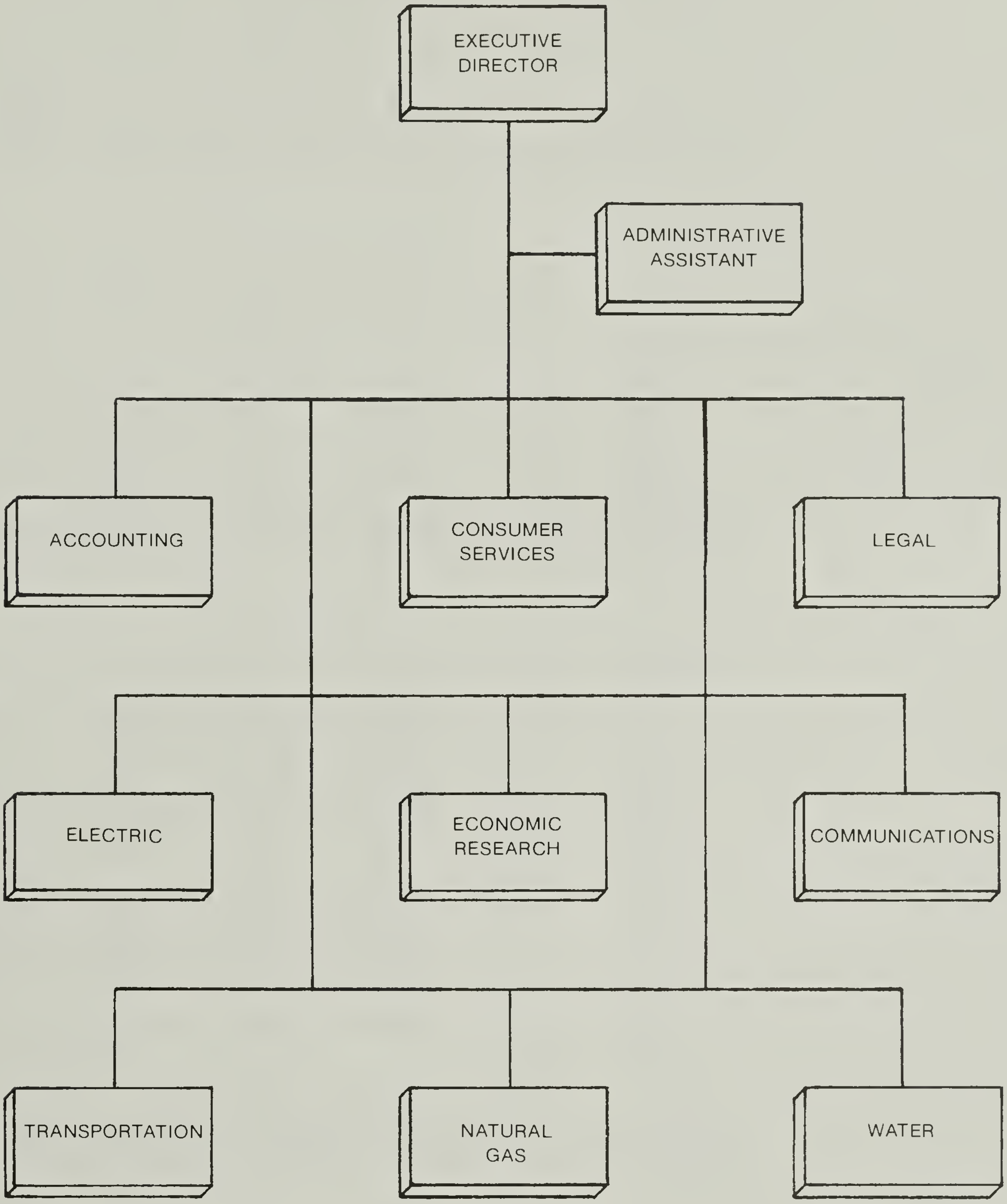


FIGURE NO. 3

NORTH CAROLINA UTILITIES COMMISSION
SUMMARY OF THE SOURCES AND EXPENDITURES

Fiscal Years Ended June 30, 1977, 1978 and 1979

	1977	1978[1]			1979[1]		
	Combined	**Commission**	**Public**	**Combined**	**Commission**	**Public**	**Combined**
SOURCES							
General Fund Appropriations	$2,489,405	$ 715,726	$1,785,424	$2,501,150	$ 886,489	$1,877,331	$2,763,820
Other Receipts:							
State Highway Commission	386,548	505,545	-0-	505,545	518,580	-0-	518,580
Fees Collected	339,734	404,716	-0-	404,716	411,306	805	412,111
Sale of Publications; Duplicating Services	3,352	4,738	-0-	4,738	-0-	-0-	-0-[3]
Payment for Employees on Loan	5,136	-0-	-0-	-0-	-0-	-0-	-0-
U.S. Dept. of Transportation	33,473	-0-	-0-	-0-	-0-	-0-	-0-
U.S. Pipeline Safety Program	45,783	43,924	-0-	43,924	33,592	-0-	33,592
Contracted Services — F.E.A. Grant	344,868	175,572	-0-	175,572	198,472	-0-	198,472
Miscellaneous Fees	26,935	22,152	-0-	22,152	13,404	-0-	13,404
Transfer — Prior Year	69,118	249,781	2,133	251,914	31,329	1,603	32,932
	$3,744,352	$2,122,154	$1,787,557	$3,909,711	$2,093,172	$1,879,739	$3,972,911
EXPENDITURES							
Payroll & Related Items	$2,763,941	$1,383,234	$1,596,216	$2,979,450	$1,517,961	$1,719,122	$3,237,083
Payroll — Employees on Loan	4,872	-0-	1,710	1,710	-0-	-0-	-0-
Legal & Consulting Fees	43,105	24,786	-0-	24,786	41,984	17,367	59,351
Contracted Services	241,235	115,649	23,456	139,105	199,745	-0-	199,745
Materials & Supplies	19,162	41,668	7,960	49,628	31,458	5,560	37,018
Travel	84,707	59,189	39,585	98,774	62,192	43,696	105,888
Postage, Telephone, Utilities	68,643	37,175	35,411	72,586	49,905	32,840	82,745
Printing & Reproduction	30,253	30,050	14,469	44,519	61,913	14,019	75,932
Repairs to Equipment	4,146	6,244	2,154	8,398	-0-	-0-	-0-
Data Processing Service	58,850	31,020	21,703	52,723	16,201	13,543	29,744
Employee Educational Expense	8,779	1,504	1,380	2,884	1,553	5,422	6,975
General Expense	78,531[2]	24,912	17,132	42,044[2]	32,352	19,734	52,086[2]
Insurance & Bonding	1,065	1,451	-0-	1,451	1,984	-0-	1,984
Office Furniture, Employment, Books	12,926	25,960	26,381	52,341	9,243	8,436	17,679
Automobiles — Safety Dept.	81,040	65,411	-0-	65,411	66,681	-0-	66,681
Funds Carried Forward — FEA Projects	243,097	242,572	-0-	242,572	-0-	-0-	-0-
Transfer — Inter-Department	-0-	31,329	-0-	31,329	-0-	-0-	-0-
	$3,744,352	$2,122,154	$1,787,557	$3,909,711	$2,093,172	$1,879,739	$3,972,911
Number of Funded Positions	160	73	87	160	81	88	169

---

[1] The 1977 N.C. General Assembly amended General Statute 62 to provide for a Public Staff in the Utilities Commission to represent the using and consuming public. Effective July 1, 1977 the Commission was completely restructured into two staffs, creating a budget for each staff.

[2] Includes rent of office space and equipment, dues and subscriptions, and other service and expense classed as miscellaneous.

[3] Included in Fees Collected above.

E. HISTORICAL SKETCH OF DEVELOPMENT

The present North Carolina Utilities Commission evolved from the Railroad Commission which was created in 1891 by the General Assembly and was given authority to determine charges made for services rendered by railroads, steamboat or canal companies, express and telegraph companies.

The major changes occurring in North Carolina regulatory field since 1891 are in chronological order as follows:

1893—Telephone industry brought under regulation.

1897—Street railways brought under regulation.

1899—Railroad Commission abolished and the North Carolina Corporation Commission created. The North Carolina Corporation Commission was given general supervision of railroads, steamboat navigation and canal companies, express and telegraph and telephone companies, building and loan associations, banks, and sleeping car companies.

1900—The Corporation Commission's duties enlarged to encompass general supervision over tax listers and tax assessors.

1905—Supervision of building and loan association transferred to State Insurance Commissioner.

1913—Electric light, power, water, and gas companies, excluding municipally owned, came under regulation.

1925—Capital Issues Law administered by the Corporation Commission. Motor vehicle common carriers of persons and property over regular or specified routes brought under regulation.

1931—Transfer of banking department to the Commissioner of Banks.

1933—The Corporation Commissioner abolished. The office of Utilities Commissioner created with two associate commissioners.

1937—Administration of Capital Issues Law transferred to Secretary of State.

1941—The North Carolina Utilities Commission established, consisting of three full-time members with six-year terms.

1947—Motor Vehicle common and contract carriers of property over irregular routes brought under regulation and regulation implemented.

1949—Bus Act of 1925 replaced and jurisdiction over common and contract carriers of passengers, regular and irregular routes, expanded. Membership increased to five commissioners and a technical staff of engineers, accountants, and directors of transportation added.

1963—The utility laws of North Carolina updated and rewritten.

1965—Electric Membership Corporation brought under limited jurisdiction of the Utilities Commission relating to assignment of service and promotional payments.

1967—The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Initiation of Cooperative Agreement in the enforcement of interstate motor carriers safety regulations with the Interstate Commerce Commission. (G.S. 62.266)

b. Authorization for the Utilities Commission to collect same fees for registration of interstate authority and interstate vehicles as is charged intrastate carriers. (G.S. 62-300)

c. Authority to regulate the standards of safety for interstate natural gas pipelines passing through North Carolina (G.S. 62-41 and G.S. 62-43)

d. Change in appeal procedure of Utility Cases; they now go to the Court of Appeals rather than to the Superior Courts. (G.S. 62-90)

1969—The following amendments to the General Statutes 62 known as the Public Utilities Act are of interest to the general public and the regulatory agency:

a. *Register ICC Exemptions.* Authorization for the Commission to require *all* interstate carriers to file copies of their respective interstate authority or register their *exempt* operation. The registration for the ICC exempt carriers for the first time is the significant feature of this act. (G.S. 62-266)

b. *Inspect Utility Affiliate Records.* Authorization for the Commission to inspect the books and records of corporations affiliated with public utilities regulated by the Commission, including parent corporations and their affiliates (G.S. 62-51)

c. *Furnish False Information to the Utilities Commission; Failure to Furnish Information to Commission.* Action by legislature declaring it a misdemeanor for utilities under the jurisdiction of the Commission to furnish false information or for failure to furnish information on report forms furnished by the Commission. (G.S. 62-326)

d. *Radio Common Carriers.* Commission authority extended to grant Certificates of Public Convenience and Necessity to radio common carriers in areas where the landline telephone company has heretofore protested certificates of radio common carriers. (G.S. 62-120)

1971—The following amendments to the General Statutes 62, known as the Public Utilities Act, where approved by the General Assembly in the current year:

a. The Executive Organization Act of 1971 created the N.C. Department of Commerce, (143A-174). The North Carolina Utilities Commission was transferred to the Department of Commerce (G.S. 62-10)

b. *Safety Standards for Interstate and Intrastate Natural Gas Pipelines.* Authorization by the General Court of Justices of North Carolina to issue court orders, restraining orders, injunctions and other processes of the court in actions by the Utilities Commission to enforce the provisions of gas pipeline safety, and authorizing the Commission to bring such action as may be necessary for compliance. (G.S. 62-50)

c. *How Rates Fixed—Natural Gas Distribution Companies.* Utilities Commission given permission to permit gas companies to increase their rates to customers to the extent that such increases are occasioned by increases in the wholesale rates paid by the utilities. This increase could be allowed without a general rate case hearing. (G.S. 62-133)

d. *Change in definition of "Public Utility".* Prior to 1971, those persons or companies selling water to less than 25 residential customers were, by statute, exempt from Utilities regulation. 1971 legislation modified the definition of a public utility to include anyone furnishing water to 10 or more residential customers. (G.S. 62-3)

1973—The following amendment to the General Statutes 62, known as the Public Utilities Act, were approved by the General Assembly in the current year:

a. Change in definition of "public utility." Town of Pineville, N.C., included insofar as town supplies telephone service to the public for compensation. This includes town limits as of May 8, 1973, and shall also include area proposed to be annexed, until January 1, 1975. Utility Commission has no authority in respect to rates or charges for service until July 1, 1974. (G.S. 62-3 (23) f).

Related Statute - Electrical Service in Urban Areas. **Authority and Jurisdiction of Utilities Commission** G.S. 160-A-334 rewritten as follows:

If N.C. Utilities Commission finds that service being furnished to consumer by a secondary supplier to be inadequate or undependable, or that rates are unreasonably discriminatory, the Commission shall have the authority and jurisdiction after notice to each affected electrical supplier, and after hearing, if hearing is requested, to

a. Order a primary supplier that is subject to the jurisdiction of the Commission to furnish electric service to any consumer who desires service from the primary supplier at any premises served by a secondary supplier, and to order such secondary supplier to cease and desist from furnishing electric service.

1974—The following selected Legislative Bills of significance to the operations of the utilities, the utilities ratepayers, and the Commission itself were passed by the General Assembly in the 2nd Session (1974) of the 1973 Session and along with other utility bills not listed here are included in General Statutes 62, known as the Public Utilities Act:

a. *How Rates Fixed - Small Water and Sewer Utilities.* The Commission may now fix such rates on the ratio of the operating expenses to the operating revenues such ratio to be determined by the commission, unless the utility requests that such rates be fixed under G.S. 62-133 (b). Previously only motor carrier rates were determined in relation to an operating ratio (G.S. 62-133.1 (a)).

A water or sewer utility may enter into uniform contracts with non-users of its utility service within a specific subdivision or development for the payment by such non-users to the utility of a fee or charge for placing or maintaining lines or other facilities or, otherwise, making and keeping such utility's service available to such non-users which in effect is an availability charge (G.S. 62-133.1 (b)).

b. *Future Test Period Authorized.* Authority given to the Commission, in its discretion, to use a current as well as a past test period in establishing public utility rates. This change gave the Commission authority to use a 12-month future test period for setting rates which required the extensive use of estimated and forecasted operating data in addition to actual historical data (G.S. 62-133(c)) (The General Assembly during the 1975 Session, amended G.S. 62-133(c) by rewriting the second sentence of Subsection (c) and in effect restoring the test period used in general rate cases to 12 months historical operating expenses prior to the date the proposed rates are to become effective.)

c. *Less than the Full Commission May Hear Small Utility Rate Cases* — In Matters where total annual revenue requested or where total annual revenues increase requested is less than $50,000 even though all rates are affected, the Chairman of the Commission may refer the matter to a division of the Commission, to a Hearing Commissioner, or to a Hearing Examiner for hearing. Previously the full Commission was required to hear all general rate cases (G.S. 62-81). *Increased to $100,000 by 1977 legislative amendment.

1975—Major legislation affecting the regulation of utilities.

a. *Definition of the term "Panel."* Panel as used herein means three Commissioners, a division of the Utilities Commission authorized for the purpose of carrying out certain functions of the Commission. (G.S. 62-3)

b. *Increase in the number of Commissioners from five (5) to seven (7).* All Commissioners henceforth are to be appointed by the Governor subject to confirmation by the General Assembly in joint session (G.S. 62-10)

c. *Initiation of Management Audits.* Management Audits may be initiated by the Commission of any public utility company once every five years by a competent, qualified and independent firm with the cost of such audit to be borne by the particular public utility subject to the audit. (G.S. 62-37 (b))

d. *Procedure before the Commission.* The Commission shall sit in panels of three unless the Chairman, by Order, shall set the proceeding for hearing by the Full Commission (G.S. 62-60.1)

e. *Long Range Forecast.* The Commission is required to develop, publicize and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimates of the probable future growth of the use of electricity, the probable needed generating reserve, the extent, size, mix and general location of generating plants and arrangements for pooling power to the extent not regulated by the Federal Power Commission. (G.S. 62-110.1 (c, d, e, f))

f. *Rate Changes due Solely to Changes in Cost of Fuel.* Effective on and after September 1, 1975, application by any public utility for permission and authority to increase its rates and charges based solely upon the increased cost of fuel used in generation or production of electric power must be suspended for a period not to exceed ninety (90) days. A hearing on the merits of the application must be held within thirty (30) days of the date of the filing with an Order responsive to the application being issued not later than ninety (90) days from the filing Date. A rate decrease due solely to a decrease in the cost of fuel, upon motion of the Commission or application of any person having an interest in said rate, shall be set for hearing. Any person directly interested in these proceedings shall have a full right of intervention. These types of proceedings shall not be considered a general rate case. To implement this new legislative act the Commission adopted a new Rule, R1-36 which prescribes the information and exhibits required to be filed with the application. (G.S. 62-134 (e) and (f))

1977—Major legislation affecting the regulation of utilities.

a. *Creation of the Office of Executive Director and Public Staff to Represent the Using and Consuming Public.* The Commission personnel was divided into a Commission Staff and a Public Staff. The Office of Executive Director was established to direct the Public Staff. The Executive Director shall be appointed by the Governor subject to confirmation by the General Assembly in joint session. The term of the Executive Director shall be six years and the salary the same as that fixed for Commissioners. The Executive Director may be removed from office by the Governor in the event of his incapacity to serve; and the Executive Director may be removed from office by the Governor upon the affirmative recommendation of a majority of the Commission, concurred in by a majority of the Utility Review Committee of the General Assembly. The Public Staff shall not be subject to the supervision, direction, or control of the Commission, the Chairman, or members of the Commission.

The Public Staff has the duty and responsibility to review, investigate, intervene and make recommendations to the Commission relating to practically all matters affecting the using and consuming public and especially in the following areas: rates charged for services, level and quality of service rendered, issuance or cancellation of certificates for service and service areas, complaints of consumers, transfers, mergers or consolidation of utilities providing services to the public, contracts of public utilities with and between affiliates or subsidiaries and the issurance of securities or other financial matters affecting the utilities. The Public Staff has no duty, responsibility or authority with respect to the enforcement of natural gas pipeline safety laws, rules or regulations or to the laws, rules or regulations of common, contract and exempt carriers relating to their equipment, the registration of their vehicles, insurance coverage, licensing or training of drivers or the operation of motor vehicle equipment. (For complete detail of duties of Public Staff, see G.S. 62-15 (a) thru (i)).

b. *Gifts to Members of Commission, Commission employees, or Public Staff unlawful.* — Utilities may not offer nor may any member of the Commission, Commission Staff, or Public Staff accept any gift of money, property, or anything of value from the utilities. One violating this rule is guilty of a misdemeanor and may be fined and subject to dismissal for cause. A member of the Commission, Commission Staff or Public Staff may attend public breakfasts, lunches, dinners, or banquets sponsored by the regulated utilities. (G.S. 62-327)

c. *Public Staff Provision Renewable After Four Years.* — Unless the General Assembly shall otherwise direct, effective August 31, 1981, the Office of Executive Director and the Public Staff of the Commission shall terminate and the positions assigned to the Public Staff shall be assigned to the Commission. (Session Laws 1977, c 468, s. 23)

d. *Lifeline Rate Study.* — Resolution No. 63 urging the Utilities Commission to investigate and study Lifeline Rates for Consumers of electricity and natural gas was ratified by the General Assembly on June 14, 1977. Because of rapidly rising rates for electric and natural gas service and the great hardship the higher rates was causing many elderly and low income persons in the State, the Commission was urged to study and consider whether it is just and reasonable to establish a category of lifeline rates for essential levels of use by residential customers to provide lighting, cooking and refrigeration in their primary place of residency.

e. *Use of Original Cost plus Construction Work in Progress (CWIP) of public utilities property for ratemaking purposes to be effective with respect to rate applications filed on and after July 1, 1979.* — Effective with rate applications filed on and after July 1, 1979 the Commission must use as the rate base for fixing rates of electric, gas, telephone and water and/or sewer utilities (unless the operating ratio is used for water and sewer companies) the reasonable original cost, less depreciation plus the reasonable original cost of construction work in progress (CWIP) of the public utility's property. This method replaces the currently used Fair Value formula (which excludes the value of CWIP) in determining the rate base for the fixing of rates. In conjunction with the enactment of the above amendment to G.S. 62-133 entitled "How rates fixed" the General Assembly also amended G.S. 62.2 entitled "Declaration of policy" by adding a new subsection (5) which reads as follows:

> "(5) Require each public utility to discontinue capitalization of the composite carrying cost of capital funds used to finance construction (allowance for funds) on the construction work in progress included in its rate base upon the effective date of the first and each subsequent general rate order issued with respect to it after the effective date of this subsection; allowance for funds may be capitalized with respect to expenditures for construction work in progress not included in the utility's property upon which the rates were fixed. In determining net operating income for return, the commission shall not include any capitalized allowance for funds used during construction on the construction work in progress included in the utility's rate base."

(See Session Laws 1977, c. 691, ss. 2 & 3 for details of amendments to G.S. 62-133.)

f. *Constitutional Amendment (Article V) to allow municipalities to Issue Revenue Bonds to Finance the Cost of Electric Generation and Transmission Facilities.* — This related legislation authorizing municipalities owning or operating electric systems and joint agencies composed of such municipalities to jointly or severally own, operate and maintain an electric system and to use revenue bonds to finance the cost thereof, subject to the approval of the electorate directly affects the regulated electric companies of North Carolina. Duke Power Co. has already agreed to sell a portion of its nuclear generating capacity to nineteen (19) North Carolina towns and cities which are members of the North Carolina Municipal Power Agency No. 1. (See Session Laws 1977, c. 528, sections 1 thru 6 for details of Constitutional Amendment).

g. *Uniform and Joint Rates Among Carriers of the Same Class Authorized.* — Historically, tariff bureaus have been formed by common carriers for the purpose of establishing and publishing joint rates in order to achieve a stable rate structure. The enactment of Chapter 219 empowered the

Commission to regulate and permit tariff bureaus to publish joint rates. (G.S. 62-152.1 and Commission Rule R4-12 set forth the Commission's requirement of a rate bureau in order for it to publish joint rates with this Commission.

1979 & 1980 —Major legislation affecting the regulation of utilities.

a. *Office of Executive Director and the Public Staff made Permanent on April 10, 1979.* These positions otherwise would have been terminated on August 31, 1981. (Session Laws 1979, c 332, 3.1)

b. *Gas Pipeline Safety Standards Authority Expanded.* The Utilities Commission authority is expanded over natural gas pipeline safety standards to cover public housing authorities and apartment complexes or mobile home parks that distribute or submeter gas to their tenants. It also restates the Commission's existing authority over pipeline safety standards of interstate and intrastate gas utilities and pipeline carriers under franchise, as well as municipally owned distributors, without apparently changing the substance of this authority. (Session Laws 1979 c 269, G.S. 62-50)

c. *Ex-parte Communications.* The act was amended which forbids any nonwritten communication by a public utility or public staff member to a Commission member or hearing examiner relating to the level of rates to be charged by deleting the words "with regard to matters affecting the rates charged or proposed to be charged" and inserting in lieu thereof the words "regarding the level of rates specifically proposed to be charged." Article IV, G.S. 62-70(g). (Session Laws 1979, c 332, S.2.)

d. *Encouragement of Co-generation of Electricity.* Co-generation of electricity was encouraged by exempting from regulation persons who are constructing or operating an electric generating unit primarily for their own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for compensation. However, such persons must report to the Utilities Commission the proposed construction of such a facility before construction begins. G.S. 62-110.1(g).

e. *Power Sales by Small Power Producers.* In the event that a small power producer and an electric utility are unable to mutually agree to a contract for the sale of electricity or to a price for the electricity purchased by the electric utility the Commission shall require the utility to purchase the power, under rates and terms established under G.S. 62-156. (See Session Laws 1979, 2nd Session, 1980, c 1219, S.2.)

f. *Security Provisions Relating to Access to Nuclear Power Facilities and/or Control over Nuclear Material.* The Chief Personnel Officer or his designee of any public utility franchised to do business in North Carolina shall be permitted to obtain from the State Bureau of Investigation a confidential copy of criminal history record information for screening an applicant for employment with or an employee of a utility or utility contractor where the employment or job to be performed falls within a class or category of positions certified by the North Carolina Utilities Commission as permitting or requiring access to nuclear power facilities or access to or control over nuclear material. G.S. 62-333 (See Session Laws 1979, c 796).

g. *Motor Carriers Providing "Charter Party" Services for Senior Citizens Exempt from Regulation.* Motor passenger carriers engaged in "Charter Party" service for senior citizens (60) years or older are exempt from Commission regulation except for subsections (f) and (g) of Article 12 G.S. 62-260. These sections deal with security, safety and registration regulations of motor passenger carriers and their vehicles. G.S. 62-260 a(18). (See Session Laws 1979, c 204)

II. Major Commission Activities

September 1978 through September 1980

A. GENERAL

1. Public Involvement

The Commission has continued its emphasis on improving its public image and making its activities open for participation by the using and consuming public and other interested parties. The table below shows the increasing number of formal hearings for which a portion of the hearings were held in the service areas of the utilities involved, many of these hearings were held at night.

	Fiscal Years Ended June 30th 1977	1978	1979
Total Formal Hearings Held	262	225	269
Number of Hearings Held Away from Raleigh in Utility Service Areas	40	42	63
Percent of Total Hearings Away	15%	35%	23%

The primary reason for holding hearings in the service areas of the utilities involved in the hearing is to make it easier for the local consumers and general public to attend and to offer testimony if they so choose. Attendance at such hearings should provide a broader knowledge of the scope and complexities of issues which the Commission, the Public Staff and all other participants must deal with.

Advance public notice is given for all hearings of general interest and especially rate case hearings. Also news releases are made of important Commission decisions and activities. All Commission weekly (Monday mornings generally) conferences where issues before the Commission are acted on are open to the public as a spectator or participant.

2. Anti-Inflation Compliance Guidelines

On January 23, 1979, the Commission established a Rule R1-171(b)(9)(g) requiring all utilities filing general rate increase applications with the Commission to certify that the request of increase complies with the anti-inflation standards promulgated by President Carter's Council on Wage and Price Stability or to demonstrate why these standards should not apply. The new filing requirement will enable the Commission to act affirmatively to assure consumers that any rate increases it may have to approve will be consistent with state and national efforts to control inflation. Small utilities for which the compliance might be burdensome will be offered assistance by the Public Staff. (Docket No. M-100, Sub 82, Order dated January 23, 1979.)

B. ELECTRIC

1. Load Forecast — N.C. Electricity Needs (1979-1995)

On May 20, 1980, the Commission released its annual (1979-80) forecast of electricity growth rates. The probable annual growth rate in peak demand and Kwh sales for the period 1979-1995 taking into account conservation measures and load management as appear likely, are:

Company	% Annual Growth Ranges Peak Demand	Kwh Sales
CP&L	4.4-5.2%	5.1-5.6%
Duke	5.0-5.4%	5.0-5.4%
VEPCO	4.0-5.0%	4.3-4.7%

These growth rates are lower than previously predicted. The forecast found that the appropriate generating reserve capacity for all three companies should continue to be about 20%.

VEPCO on June 18, 1980, filed exceptions to portions of the forecast and gave notice of Appeal to the Court of Appeals in accordance with G.S. 62-90. The exceptions taken by VEPCO were aimed at the level of annual growth rates in KWH's and peak demand which the Commission found as being probable for VEPCO for the period 1979-1995 and the lack of competent evidence in the hearing to support these findings. VEPCO on June 18, 1980, also filed with the Commission its Motion for Reconsideration and Modification of the May 20, 1980 Order. The Commission responded by allowing the reconsideration of VEPCO's complaints about portions of the Order and set these matters for hearing at the subsequent load growth hearings which are scheduled to begin on January 13, 1981, under designated Docket No. E-100, Sub 40. (Docket No. E-100, Sub 35 Order dated May 20, 1980, 1979/80 Forecast and Plan for Long-Range Electric Generating Facilities in North Carolina.)

2. Safety and Reliability of Nuclear Generating Facilities Reviewed

In connection with the Commission's investigation of future electricity needs for North Carolina in its Docket No. E-100, Sub 35, the reliability and safety of nuclear generating facilities was reviewed. In the hearings which began on Tuesday, July 17, 1979, some 20 or more learned experts and members of the general public who were deeply interested in and/or employed as professionals presented their views to the Commission regarding the pros and cons as they perceived them to be regarding facets of nuclear plant reliability and safety.

Some excerpts from the Commission's Order shows the diversity of opinions on this very important subject:

"The sharp differences of opinion expressed about nuclear power at the hearing in this docket mirror the differences of opinion nationwide. The accident at Three Mile Island last year has intensified the debate about the safety and reliability of nuclear power and the costs associated therewith."

"Numerous public witnesses and all of the parties discussed the reliability and safety of coal, nuclear, and alternative energy forms. Special attention was given to nuclear power. A predominant theme throughout the hearing was the Three Mile Island accident, which took place in March 1979. Dr. Raymond L. Murray, a professor of nuclear engineering at North Carolina State University and the author of a textbook on nuclear engineering, offered critical comments on the Three Mile Island incident: 'The accident at Harrisburg was due to a combination of causes related to inadequate system design, equipment malfunction, and operation . . . I feel that in spite of all these problems, the system worked, the emergency system worked, the core did not melt down and no one was injured.' On the other hand, David Martin, an Associate Professor of Physics at North Carolina State University, testified that his earlier pessimism with nuclear power was well-founded: at the 1977 load forecast hearing he stated that the safety of nuclear power was unknown. Now, '[i]n light of the human factors brought out by the Three Mile Island accident, we now must conclude that nuclear power is unsafe.'"

"Steve Schervel, who represented the North Carolina Public Interest Research group and the People's Alliance, testified on the dangers of storing and transporting nuclear wastes and on the decommissioning of a nuclear plant. Stewart Fisher, who appeared on behalf of the Kudzu Alliance, opposed the construction of CP&L's Shearon Harris nuclear units; he presented a petition with 5,000 names in opposition to the plant. Dr. Richard Wilson, a family physician, also opposed the construction of the Shearon Harris units and asked that their completion date be delayed until there has been some progress in resolving the doubts about reactor safety, waste disposal, and the need for the units. Patricia Smith and Linda Dominoski, who resided near Three Mile Island during the events of March 1979, testified about their experiences during the accident; they described in some detail the uncertainty and the fear which this accident caused around Three Mile Island."

"Subsequent to the hearing in this docket, the Kemeny Commission issued the *Report of the President's Commission on the Accident at Three Mile Island.* The *Report* found and concluded:

> 'To prevent nuclear accidents as serious as Three Mile Island, fundamental changes will be necessary in the organization, procedures, and practices — and above all — in the attitudes of the Nuclear Regulatory Commission and, to the extent that the institutions we investigated are typical, of the nuclear industry.'"

"The *Report* further found that the accident at Three Mile Island occurred as a result of human, institutional, and mechanical failures. The *Report*, in assessing the severity of the accident, concluded that 'in spite of serious damage to the plant, most of the radiation was contained and the actual release will have a negligible effect on the physical health of individuals. The major health effect was found to be mental stress.'"

"The *Report* made numerous recommendations concerning the Nuclear Regulatory Commission, the responsibility of the utility and its equipment suppliers, the training of plant operating personnel, technical assessment of equipment and operating practices, worker and public health and safety, emergency planning and response, and the public's right to information."

Conclusions: "The Commission has found in earlier dockets, including the 1978 load forecast docket, that the most economical method of electric generation for Duke, CP&L, and VEPCO is a combination of hydroelectric generation and coal-fired and nuclear-fueled steam generation. The Commission also noted in its 1978 Report 'the increasing opinion among the technical community that the hazards to the public from nuclear generation may be considerably less than the hazards from alternative fossil fuel systems, such as coal.'"

"Upon a careful consideration of all of the evidence in this proceeding with respect to the ongoing and intensive assessment of nuclear power by the public, by the industry, and by those agencies of the Federal government charged with the primary responsibility over nuclear power, the Commission concludes that it would be inappropriate at this time for it to make new and independent findings with respect to the safety, reliability, and cost of nuclear power. Consequently, the Commission reaffirms its earlier findings subject to further reevaluation following its next load forecast hearing."

3. Alternative Energy Corporation — Authorized

The Commission issued on April 11, 1980, an Order authorizing the State's major electric utilities to join with the State's non-regulated municipal and cooperative electricity suppliers to form a quasi-public, non-profit corporation to be known as the *North Carolina Alternative Energy Corporation.* The purpose of this Corporation will be to develop alternative energy services, including but not limited to, solar, wind, wood, biomass and conservation. By developing practical uses of alternative energy sources, the Corporation could lessen the need for expensive new generating plants and hold down electric rates from what they might be otherwise.

In authorizing the new Corporation, the Commission followed the recommendations of the Governor, the Public Staff, and numerous other public interest groups, and approved a Corporate Charter and by laws for the new Corporation which would ensure that the Corporation would be accountable to the public and would not be dominated by the power companies. The Charter provides for a 13 member board of directors with seven members being public representatives appointed by the Governor and six by the regulated utilities and other electric suppliers.

Funding for the Corporation initially will come through contributions from each utility and electric supplier at a level of .003567 cents per kilowatt hour. This will amount to about 3-1/2¢ per month for a typical residential customer using 1,000 kilowatt hours per month.

The initial idea for the Corporation arose out of Duke Power Company's general rate case hearings in June and July 1979. During these hearings the Commission decided that Duke Power should do more to further alternative energy development and proposed that all electric suppliers join to form a non-profit corporation to further such development. Hearings were held in January 1980 which provided the basis for the contents of the Commission's Order. (Docket No. E-100, Sub 37, Order dated April 11, 1980.)

4. Conservation of Energy — More Efficient Outdoor Lighting

On December 20, 1979, the Commission issued its Order adopting Rule R8-47 promulgated to promote more efficient outdoor lighting. Rule R8-47 evolves from an investigation requested by the Public Staff and supported by other parties. The investigation covered the costs and benefits of replacing or retrofitting inefficient lighting sources, institution of programs requiring replacement of inefficient lighting sources, and adoption of policies to prevent continuing installation of inefficient lighting.

After in depth public hearings on these matters, the Commission decreed in its Order the following: (a) that fluorescent and incandescent lights no longer be offered for new installations, and each utility should move to phase out these lighting sources as soon as possible; (b) that the use of high pressure sodium lights be encouraged for all users of outdoor lighting in North Carolina, and; (c) that low pressure sodium lights shall be made available on a case by case tariff basis by each electric utility.

As a result of this investigation and Order, the Commission promulgated Rule R8-47 to be effective July 1, 1980, which sets forth requirements of minimum standard offering of lighting luminaries which are more energy efficient than those previously promoted and offered by the electric utilities. (Docket No. E-100, Sub 30 — first Order issued on May 31, 1979, which provided for each participant in the hearings held, to file within 60 days, their specific comments in support for or opposition to the adoption of all or part of the Rule R8-47 which was a part of the May 31, 1979 Order.)

5. CWIP — Impact on Rates

Pursuant to the enactment of amendments to G.S. 62-133 subsections (b) and (c) by the 1977 General Assembly, general rate cases filed after July 1, 1979, all have included Construction Work In Progress (CWIP) in their rate base. One of the first and largest was CP&L's general rate case Docket No. E-2, Sub 366 filed on August 31, 1979, which included $68,192,806 North Carolina CWIP funds or about 4.6% of the total North Carolina rate base of $1,485,338,000. CP&L requested an increase of $55,867,608 in net operating revenues of which $14,511,967 or about 24% is required to produce the 10.154% requested rate of return on CWIP. From this example one can see that the inclusion of CWIP in the rate base has an immediate increased cost impact on the ratepayers. Benefits to the utilities are essentially all based on a greatly improved cash flow situation in which expenditures for new plants are more evenly matched to revenues.

The Public Staff analysis of the effect of CWIP on electric ratepayers showed that through 1986 rates would be higher than they otherwise would be but that after 1986 rates would be lower than they otherwise would have been absent CWIP.

6. Fuel Costs — New Procedures Approved

By Order dated December 19, 1979, the Commission adopted a revision to Rule R8-46 and Rule R1-36 which changed the procedure for reviewing and adjusting the fuel cost component in the basic electric rates. The new procedure provides for a review three times annually and uses, therefore, a four-month historical test period with power plant performance reviewed at each hearing. This eliminates the monthly fuel cost adjustments, and rates are based on service rendered on and after the effective date of the Commission's Order (in contrast to the old procedure based on bills rendered after the date of the Order). The revised procedure includes the fuel cost in the basic rates which may increase or decrease from the prior period and eliminated the separate listing of the fuel surcharge on the customer's bill. This change was proposed by the Public Staff and supported by the three major electric companies affected by its implementation. (Docket Nos. E-2, Sub 380, E-7, Sub 283, and E-22, Sub 251, Order dated December 19, 1979.)

7. VEPCO's High Rates — Investigation Completed

By Order dated September 18, 1978 (Docket No. E-22, Sub 236), the Commission initiated an investigation by the Public Staff into the causes of VEPCO's high cost of retail electric service in North Carolina. The Commission cited examples of disparities in the VEPCO rates, ranging from 23% above CP&L and 36% above Duke for the average residential consumer, and 19% above CP&L and 38% above Duke for industrial customers. On January 22, 1979, the Public Staff and VEPCO filed their Reports. On July 31, 1979, the Commission issued its decision (Docket No. E-22, Subs 236, 239, 240 through 244). Based upon the investigations and hearings in this docket, VEPCO's management was found to have performed inadequately in the areas of planning and maintenance of its generation facilities. As a result, the Commission made downward adjustments to VEPCO's rates consistent with the maximum amount shown by the evidence and permitted by law which have been and was being imposed on VEPCO's customers by these managerial inadequacies. The refund amount to VEPCO's North Carolina customers was approximately $1.6 million and the reduction in the then current rates was in excess of $4.1 million on an annual basis. The additional reduction beginning after 1980 is estimated to be in excess of $500,000 annually.

The Commission observed that based on VEPCO's plan to move away from its heavy dependence on expensive oil-fired generation, and the Public Staff's projection of VEPCO's future rates closer parity with neighboring Carolina Power & Light's rates will be attained in the 1983-84 time frame.

VEPCO appealed this Order and the Court of Appeals on September 18, 1980, (No. 8010 UC29) reversed and remanded the Case to the Commission. This action was based largely on the fact that the Commission used a defective procedure as a hearing forum for its action. The Commission treated this matter as if it were part of a general rate case hearing when in fact the Court ruled the hearings constituted fuel adjustment proceedings (G.S. 62-134(e)) and by statute the cost of fuel was the only item which could be considered in determining weather and adjustment in rates should be approved. The Public Staff and Attorney General on October 1, 1980, petitioned the Supreme Court of North Carolina for Discretionary Review under G.S. 7A-31(c).

C. ELECTRIC AND NATURAL GAS

1. PURPA — Status Report

Brief background and status as of July 1, 1980 — Public Utility Regulatory Policies Act of 1978 is an act of Congress signed into law by the President on November 9, 1978 (Pub. L. 95-617, 92 Stat. 3117 et. seq.). Two sections of PURPA, section 141 and 142 authorize the Department of Energy (DOE) to provide financial assistance to state utility regulatory commissions and non-regulated electric utilities. Under section 141, the North Carolina Commission applied on August 15, 1979, for a grant in the amount of $198,886 to assist it in carrying out the requirements of Titles I and III, and section 210 of PURPA. On September 25, 1979, the NCUC was awarded a grant of $198,886 for the fiscal year October 1, 1979 through September 30, 1980.

Titles I and III have three common purposes, which are:

1. Conservation of energy supplied by utilities.
2. Equitable rates to consumers; and
3. Optimization of the efficient use of electric generating and related facilities.

PURPA established a series of Federal Standards that, if adopted when appropriate, are intended to carry out the purposes of Titles I and III of the Act. There are six rate design standards set forth in section 111(d) of PURPA which pertain to electric utilities and five additional regulatory policy standards in section 113(b) with all five pertaining to electric utilities and two pertaining to natural gas utilities.

PURPA STANDARDS AND ACTIVITY STATUS AS OF SEPTEMBER 1, 1980

No.	Rate Design Standards Section 111(d)	Activity
1	Cost of Service Pricing	Marginal costs are considered — The Commission began requiring fully distributed cost allocation studies for each major electric utility in 1970. Annual cost of service studies have been required since that time. The cost of service studies have served as the major rate-making tool to ensure equitable rates to each class of customer. Beginning in 1976, marginal costing techniques were required in addition to the embedded cost studies previously utilitzed. Both embedded cost and marginal cost studies are now used as major rate-making determinants.
2	Declining Block Rates	Hearing to consider this standard set to commence September 9, 1980, Docket No. E-100, Sub 36.
3	Time of Day Rates	Hearing to consider this standard set to commence September 9, 1980, Docket No. E-100, Sub 36.
4	Seasonal Rates	Hearing to consider this standard set to commence September 9, 1980, Docket No. E-100, Sub 36.
5	Interruptible Rates	Hearing to consider this standard set to commence September 9, 1980, Docket No. E-100, Sub 36.
6	Load Management Techniques	Hearing to consider this standard set to commence September 9, 1980, Docket No. E-100, Sub 36.
	Policy Standards Section 113(d)	
1	Master Metering	Generic hearing was held on May 6, 1980. The Commission held a generic hearing on May 6, 1980, to consider the PURPA standard on master metering. G.S. 143-151.42 prohibits the use of master meters for electric and natural gas service in residential buildings for which building permits were issued on or after September 1, 1977.
2	Automatic Adjustment Clause	The Commission held a generic hearing on May 6, 1980, to consider the PURPA standard on automatic adjustment clauses. G.S. 62-134(e) terminated all automatic fuel cost adjustment clauses for electric utilities in North Carolina effective September 1, 1975. No fuel cost increments can be charged without prior hearing and formal Commission approval.
3	Information to Consumers	The Commission held a generic hearing on May 6, 1980, to consider the PURPA standard on information to consumers. The Commission anticipates issuing a final Order with respect to this standard in September 1980.
4	Termination of Service	A generic public hearing was held on October 9, 1979, and Commission Orders were issued on November 14, 1979, and November 20, 1979, adopting the PURPA standards. Docket No. M-100, Sub 28 and 61.
5	Advertising	A generic public hearing was held on September 18 and 19, 1979, and the Commission issued an Order on August 4, 1980, adopting the advertising standards. Docket No. M-100, Sub 80.
	Other Considerations	
1	Life Line Rates — Section 114	Hearing to consider this standard set to commence September 9, 1980, Docket No. E-100, Sub 36.
2	Cogeneration and Small Power Production — Section 210	The Commission held a generic public hearing on July 22, 1980, to consider the issue of what types of data should be filed with the Commission on November 1, 1980. On August 20, 1980, the Commission issued an "Order Requiring Data and Requesting Comment on Proposed Rule." The Commission will schedule further public hearings in January or February 1981, for the purpose of making a final determination on the issues. Docket No. E-100, Sub 41.

A grant of $109,620 was awarded on September 30, 1980, to continue the PURPA program for the Federal fiscal year ending September 30, 1981.

2. Revision of Termination Rules — Electric and Gas Residential Customers

On November 14, 1979, the Commission issued an Order revising the procedures to be used by electric and gas utility companies prior to disconnecting a service to a customer as a result of non-payment of a delinquent account. The utilities were directed to give personal notice of potential disconnection and to provide arrangements for payment of bills in installments for a customer who is unable to pay his utility bill when rendered and in full.

The Commission was concerned about the elderly poor and their protection from loss of heat during cold weather due to termination of electric or gas service. When a member of a low-income household is either elderly or handicapped, electric and gas utilities must inform these customers on how to contact local social service agencies to determine what Federal, State, or private assistance may be available. Also, each regulated electric and gas utility is required to institute a third party notice program designed to offer their customer the opportunity to designate a third party to receive a copy of any proposed termination notice which may be mailed to the customers. Further provisions of the revised rules prohibit the electric and gas utilities from terminating service after 4:00 p.m., on Fridays, or on weekends and holidays. The revised rules became effective on December 1, 1979.

These revisions to Commission's Rules R12-10 and R12-11 are based on information received during a day-long hearing held on October 9, 1979, to consider such matters. This proceeding was a part of the Commission's program to establish certain regulatory standards as set forth in the Public Utility Regulatory Policies Act (PURPA). (Docket No. M-100, Sub 28 and 61, Order dated November 14, 1979.)

D. NATURAL GAS

1. Natural Gas Supplies Increased by 13%

On January 18, 1979, the Commission was notified by the Federal Energy Regulatory Commission (FERC) that it had approved a settlement of litigation brought by the State of North Carolina for additional gas supplies for North Carolina which would amount to a 13% increase in the supply of regular priced natural gas allocated to North Carolina from its sole supplier Transcontinental Gas Pipeline Corporation (Transco). The U.S. Court of Appeals for the District of Columbia upheld North Carolina's claim and sent the case back to the FERC to remove the discrimination against the State of North Carolina.

The increase came at a very propitious time for North Carolina's natural gas heat customers and distributing companies. The high-priced emergency purchased gas was not needed for the 1978-79 winter heating season as it had been for the last five years during severe gas shortages. The additional 11,067 Mdts.* of gas was enough to supply 100,000 homes for an entire year, based on average annual use of 109 dekatherms per residential customer.

The increased gas supply will also result in a decrease in the price of gas because of the greater utilization of the capital investment in the pipeline systems. Because of the greater utilization factor, the Volume Variation Adjustment (VVA) or Curtailment Tracking Adjustment (CTA) as used by some companies will decrease which is estimated to save $4 on the average residential customer's winter heating bill.

The Utilities Commission, the Public Staff and the Attorney general have all worked on the appeal and the settlement for North Carolina. (FERC Docket Nos. RP72-99 and TC79-6.)

2. Policy of Adding New Natural Gas Customers Modified

Due to an annual increase of approximately 13% in flowing gas expected by the North Carolina distributing companies from Transco, the Commission by its Order on January 25, 1979 (Docket No. G-100, Sub 21), lifted all restrictions on the addition of customers in NCUC Priorities 1 and 2 with additions below Priority 2 to be determined on a case-by-case basis. Priorities 1 and 2 include residential users, commercial users (except large boiler requirements) and industrial process, feedstock and plant protection, with no alternate fuel capability. A Commission policy set forth in a 1977 Order, restricting replacement volumes of a distribution company to 102% of the 1973 consumption levels of each customer class was also abandoned.

The Commission's action was made possible by the Federal Energy Regulatory Commission's (FERC) action of January 17, 1979, by its approval of a settlement in litigation for additional gas supplies for North Carolina (FERC Docket No. RP72-99 and TC79-6).

E. COMMUNICATIONS

1. 50% Reduction for TTY Users

On March 24, 1980, the Commission ordered a 50% reduction in toll rates for teletypewriter machines used by hearing and speech impaired persons. There are approximately 500 TTY's used for such purposes throughout North Carolina. The reduction was based on the grounds that it takes a person at least four times longer to type a message on TTY than it does a non-impaired person to speak a message.

2. "911" Emergency Telephone Number Available Statewide

On July 27, 1979, the Commission issued its Order, Docket No. P-100, Sub 48, which orders all regulated telephone companies to make the "911" emergency telephone number available to local government agencies as soon as feasible. A "911" emergency telephone number is intended to speed up re-

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*Mdts. = 1,000 dekatherms
Dt. = dekatherm, contains 10 therms and each therm equals 100,000 BTU's.

sponse time giving the public direct access to a consolidated communications center which receives emergency assistance requests and dispatches the appropriate sheriff, police, fire, rescue squad, or medical assistance.

The Commission's Order was initiated on September 23, 1978, by the following petitioners:

Rufus L. Edmisten, Attorney General of North Carolina
North Carolina Department of Crime Control and Public Safety
Division of Crime Control
Division of Civil Preparedness
North Carolina Fire Commission
North Carolina Department of Human Resources
Office of Emergency Medical Services

requesting the Utilities Commission to provide the 911 number statewide. The Commission held hearings in May 1979. In North Carolina six 911 systems are in operation, 18 systems are in the advanced stages of planning for 911 and there is a known interest by 70 additional counties in the implementation of the 911 system.

The original concept for this public service program came from a 1967 recommendation of the President's Commission on Law Enforcement and the Administration of Justice. In 1968, the American Telephone and Telegraph Company (AT&T) announced that it would make the digits "911" available nationwide as an emergency telephone number.

3. Carolina Telephone Company — Local Rates Cut 40 to 45 Cents a Month

On April 20, 1979 and May 7, 1979, the Commission issued Orders (Docket No. P-7, Sub 624) which cut Carolina Telephone & Telegraph Company's basic local service rates ranging from $.40 to $.45 per subscriber per month effective June 1, 1979. Based on stations at June 30, 1977, the annual reduction in revenues amount to $6,723,290. Also on June 1, 1979, Carolina will begin making refunds to its subscribers, in the form of billing credits of $18.96 per customer which will total about $8.4 million company wide. The refunds represent overcollections realized during the period April 3, 1978, through June 1, 1979.

These reductions and refunds were made possible principally by the Commission's action in its order (P-100, Sub 45) issued October 5, 1978, which authorized an increase in intrastate long distance rates for all companies subject to the Commission's jurisdiction. The increased revenues from the intrastate increased rates are expected to be sufficient to offset the reductions in the basic local rates and permit the companies to maintain a reasonable rate of return on their common stockholder's equity.

F. CONSUMER POCKETBOOK ISSUES

1. General Rate Case Decisions 1970-1979

A summary of the Commission decisions in general rate cases for the 10-year period 1970 through June 1980 for the electric, gas and telephone groups show that 72.7% of the amount requested has been granted. Broken down by groups, the amounts granted were: electric, 81.6%; gas, 66.6%; and telephone, 53.3%. (See Figure No. 5 for yearly totals.)

The amounts granted since July 1, 1977, the effective date of the reorganized Utilities Commission as mandated by the 1977 Session of the General Assembly of North Carolina, are several percentage points lower for the electric and telephone utilities and several points higher for the natural gas utilities than for the prior years.

General Rate Case Results

Period	Group	Requested ($000)	Granted ($000)	% Granted
1970 — June 30, 1977	Electric	562,787	478,899	85.1
	Gas	29,120	18,531	63.6
	Telephone	197,629	107,360	54.3
Sub Total		789,536	604,790	76.6
July 1977 — June 30, 1980	Electric	175,519	123,245	70.2
	Gas	24,282	17,060	70.3
	Telephone	123,979	64,168	51.8
Sub Total		323,780	204,473	63.2
1970 — June 30, 1980	Electric	738,306	602,144	81.6
	Gas	53,402	35,591	66.6
	Telephone	321,608	171,528	53.3
Grand Totals		1,113,316	809,263	72.7

The overall lower percentage granted of 13.4% (76.6 — 63.2 = 13.4) since reorganization when applied to the total amount of $323,789,000 of rate increases requested during that 3-year period reflects a savings to the customer of $43,386,520.

Many factors such as interest rates, quality of service, cost of fuel, and availability of gas supplies, and utility managerial efficiency contribute to the final decisions reached by the Commission in general rate cases. Since July 1, 1977, general rate cases heard by the seven new Commissioners have been presented in a very professional and thorough manner. Highly competent witnesses have put into the record sufficient testimony on which a fair and equitable decision could be based. The welfare of the consuming public has been competently and vigorously advocated and defended by the Public Staff of the Commission.

2. N.C. Utility Rates Vs. Consumer Price Index (CPI)

The combination of the above factors have resulted in the utility consumers of North Carolina having some degree of relief from the total impact of the unprecedented high rates of inflation during the past three years. The Commission has kept the general increases in the cost of electricity per KWH below the increases in the Consumer Price Index (CPI) since October of 1978. The cost of natural gas did increase faster than the CPI from June 1977 to about October 1979 and is creeping ahead of inflation again in June 1980. The restraint of the increase in the cost of natural gas in North Carolina has been most difficult because of many factors which the Commission has no direct control over. Some of these factors being: the decontrol of natural gas prices at the wellhead; a one-source supplier (Transcontinental Gas Pipeline Corporation) which caused a severe shortfall in supplies and forced the purchase by the distributing companies of high priced emergency gas from wherever it could be located; and the discriminatory pricing policies of the supplier which were approved by the policies of the Federal Energy Regulatory Commission (FERC) until recently (September 1980) when these policies were overturned by a Federal Court Order. (FERC Opinion No. 59 issued August 6, 1979, was reviewed by the U.S. Court of Appeals for the District of Columbia Circuit.)

Telephone costs for local service have remained for the three-year period 1977-1979 below the annual increases in CPI. See Figure Nos. 6, 7 and 8 for graphic presentation of this comparative cost data.

The yearly average increase in the cost of residential electric and gas service expressed in cents per KWH and dollars per dekatherm for the three-year period June 1977 through June 1980 are shown below. Also shown, is the increase in the cost of local service for all telephone users for the three calendar years 1976-1979 expressed in dollars. This data is compared in each case to the change in the CPI for the same periods. The net result of this study shows that the increases to the North Carolina consumer of gas, electricity and local telephone service have been at a slower rate than those of the average U.S. consumer for these same services and that his electric and telephone costs increased less than the CPI during the same period.

N.C. Utility Rates Vs. Consumer Price Index (CPI)

Item	Type Customer	Period	Amount	% Change
Electric:				
N.C.-Price per KWH	Residential	June 1977-June 1980	3.46- 4.18 Cents	20.8%
U.S.-Price per KWH	Residential	June 1977-June 1980	3.86- 4.97 Cents	28.8%
CPI — Composite	All Consumers	June 1977-June 1980	175.80-232.60 Index	32.3%
Natural Gas:				
N.C.-Price per Dekatherm	Residential	June 1977-June 1980	2.49- 3.77 Dollars	51.4%
U.S.-Price per Dekatherm	Residential	June 1977-June 1980	2.21- 3.40 Dollars	53.8%
CPI — Composite	All Consumers	June 1977-June 1980	175.80-232.60 Index	32.3%
Telephone:				
N.C.-Local Service per Month	All	1976 - 1979	8.85- 9.35 Dollars	5.6%
U.S.-Local Service per Month	All	1976 - 1979	10.20- 11.72 Dollars	14.9%
CPI — Composite	All Consumers	1976 - 1979	170.50-217.40 Index	27.5%

FIGURE NO. 4

ELECTRIC, GAS & TELEPHONE GENERAL RATE CASE DATA
AMOUNTS REQUESTED & GRANTED
FOR CALENDAR YEARS 1970-1979
($ Millions)

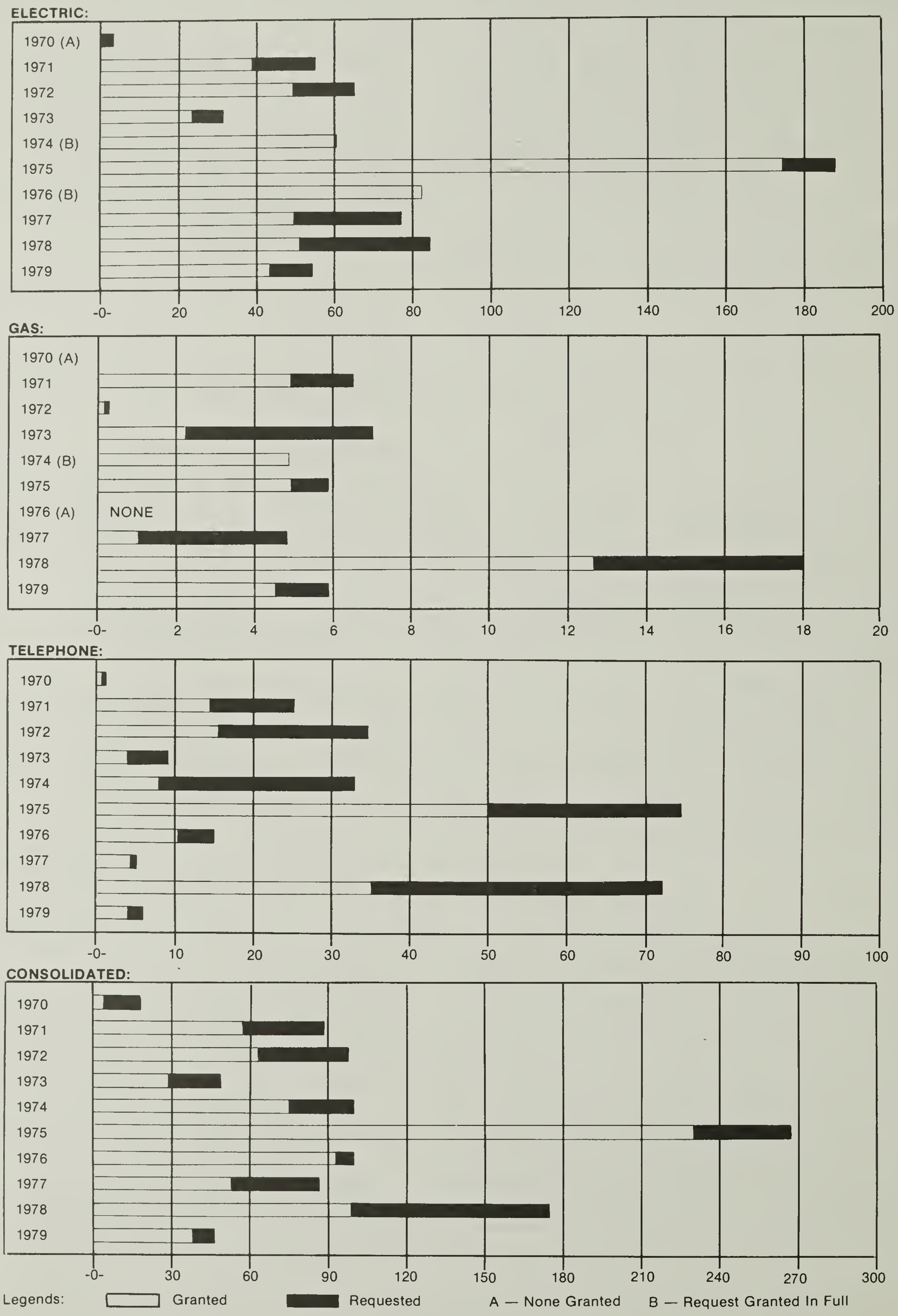


FIGURE NO. 5

ELECTRIC — GAS — TELEPHONE
SUMMARY OF GENERAL RATE CASES
Calendar Years 1970-June 1980
(000's)

Electric Group	Requested	Granted	% Granted
1970	$ 1,280	$ -0-	—
1971	56,533	39,045	69.1%
1972	63,728	48,120	75.5%
1973	32,555	22,769	69.9%
1974	61,453	61,439	99.9%
1975	186,871	175,255	93.8%
1976	82,656	82,656	100.0%
1977-June 30th	77,711	49,615	63.8%
Sub Total	$562,787	$478,899	85.1%
1977-July-Dec.	-0-	-0-	-0-
1978	84,140	51,567	61.3%
1979	35,511	28,314	79.7%
1980-Jan.-June	55,868	43,364	77.6%
Sub Total	$175,519	$123,245	70.2%
GRAND TOTAL	$738,306	$602,144	81.6%

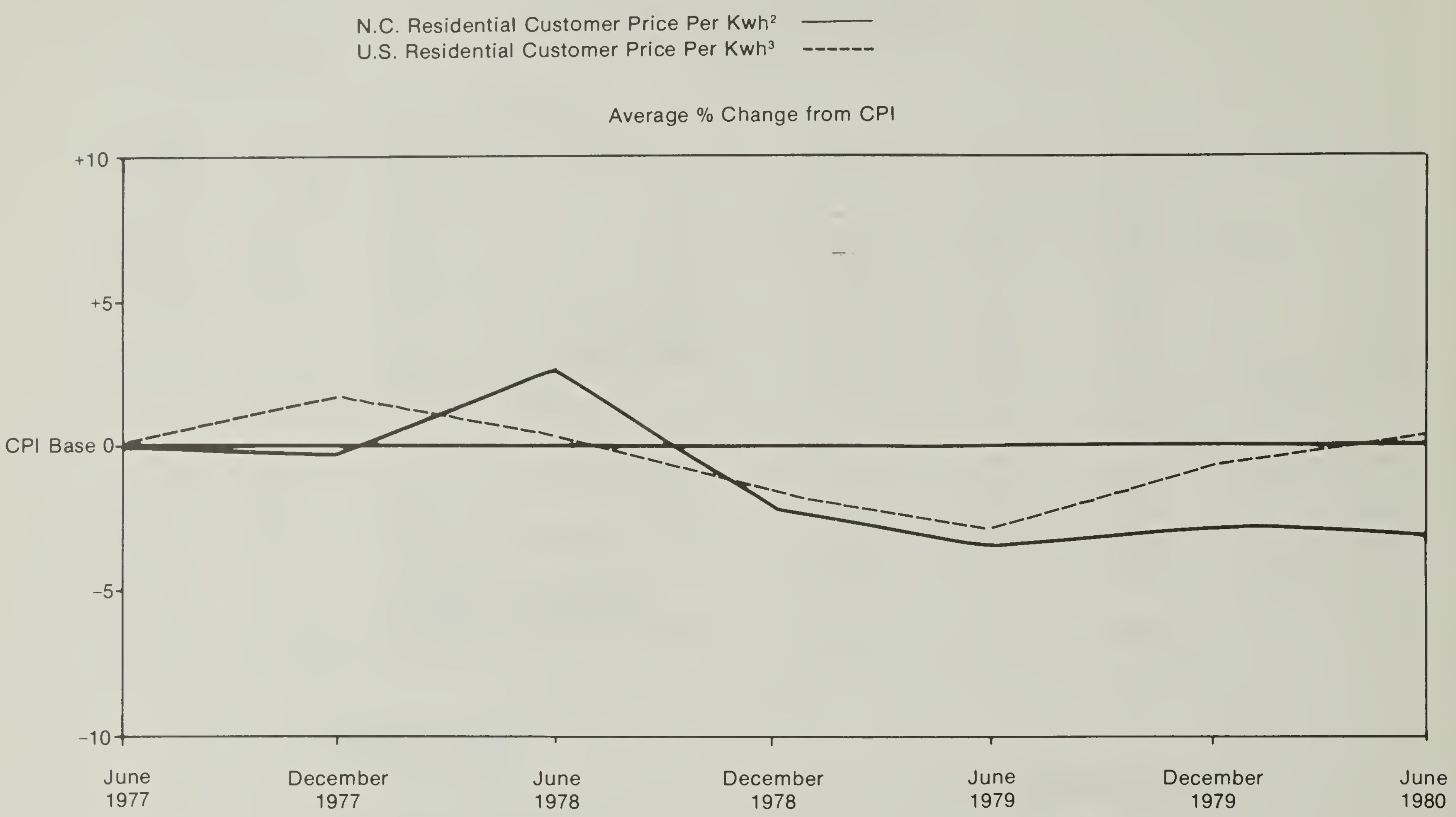
Gas Group	Requested	Granted	% Granted
1970	$ —	$ —	—
1971	6,414	4,955	77.3%
1972	277	175	63.2%
1973	7,220	2,264	31.4%
1974	4,806	4,806	100.0%
1975	5,952	4,817	81.0%
1976	—	—	—
1977-Jan.-June	4,451	1,514	34.0%
Sub Total	$29,120	$18,531	63.6%
1977-July-Dec.	-0-	-0-	-0-
1978	18,124	12,533	-0-
1979	5,984	4,353	69.2%
1980-Jan.-June	174	174	72.7%
Sub Total	$24,282	$17,060	70.3%
GRAND TOTAL	$53,402	$35,591	66.6%

Telephone Group	Requested	Granted	% Granted
1970	$ 449	$ 392	87.3%
1971	25,512	14,722	57.7%
1972	34,323	15,834	46.1%
1973	9,299	3,993	42.9%
1974	33,812	8,271	24.5%
1975	75,226	50,325	66.9%
1976	14,683	10,232	69.7%
1977-Jan.-June	4,325	3,591	83.0%
Sub Total	$197,629	$107,360	54.3%
1977-July-Dec.	-0-	-0-	-0-
1978	72,885	35,119	48.2%
1979	5,812	3,560	61.3%
1980-Jan.-June	45,282	25,489	56.3%
Sub Total	$123,979	$ 64,168	51.8%
GRAND TOTALS	$321,608	$171,528	53.3%

Electric, Gas & Telephone Groups	Requested	Granted	% Granted
1970	$ 1,729	$ 392	22.7%
1971	88,459	58,722	66.4%
1972	98,328	64,129	65.2%
1973	49,074	29,026	59.1%
1974	100,071	74,516	74.5%
1975	268,049	230,397	86.0%
1976	97,339	92,888	95.4%
1977-June 30th	86,487	54,720	63.3%
Sub Total	$ 789,536	604,790	76.6%
1977-July-Dec.	-0-	-0-	-0-
1978	175,149	99,219	56.6%
1979	47,307	36,227	76.6%
1980-June 30th	101,324	69,027	68.1%
Sub Total	$ 323,780	$204,473	63.2%
GRAND TOTALS	$1,113,316	$809,263	72.7%

FIGURE NO. 6

NORTH CAROLINA ELECTRIC RATE CHANGES VS CONSUMER PRICE INDEX (CPI)[1]
For the 12 month period ending June 1977-1980 and December 1977-1979



Positive Changes = Prices rose faster than CPI
Negative Changes = Prices rose slower than CPI

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[1] CPI for all urban consumers — Monthly Labor Review.
[2] Quarterly and yearly Electric Utility Reports required by the Commission.
[3] U.S. Department of Energy (DOE) Monthly Energy Data Report

N.C. Semi-Annual Percentage Changes

	June 1977 Base Amount	June 1977 Base	Dec. 1977	June 1978	Dec. 1978	June 1979	Dec. 1979	June 1980	June 1980 Base Amount	% Change from June 1977
N.C. Price/Kwh	3.46¢	0	2.89%	5.90%	1.86%	1.56%	3.08%	3.98%	4.18¢	20.81%
U.S. CPI	175.8	0	3.24%	3.36%	4.16%	5.02%	5.95%	6.99%	232.6	32.31%
Difference from CPI		0	- .35%	+2.54%	-2.30%	-3.46%	-2.87%	-3.01%	———	———

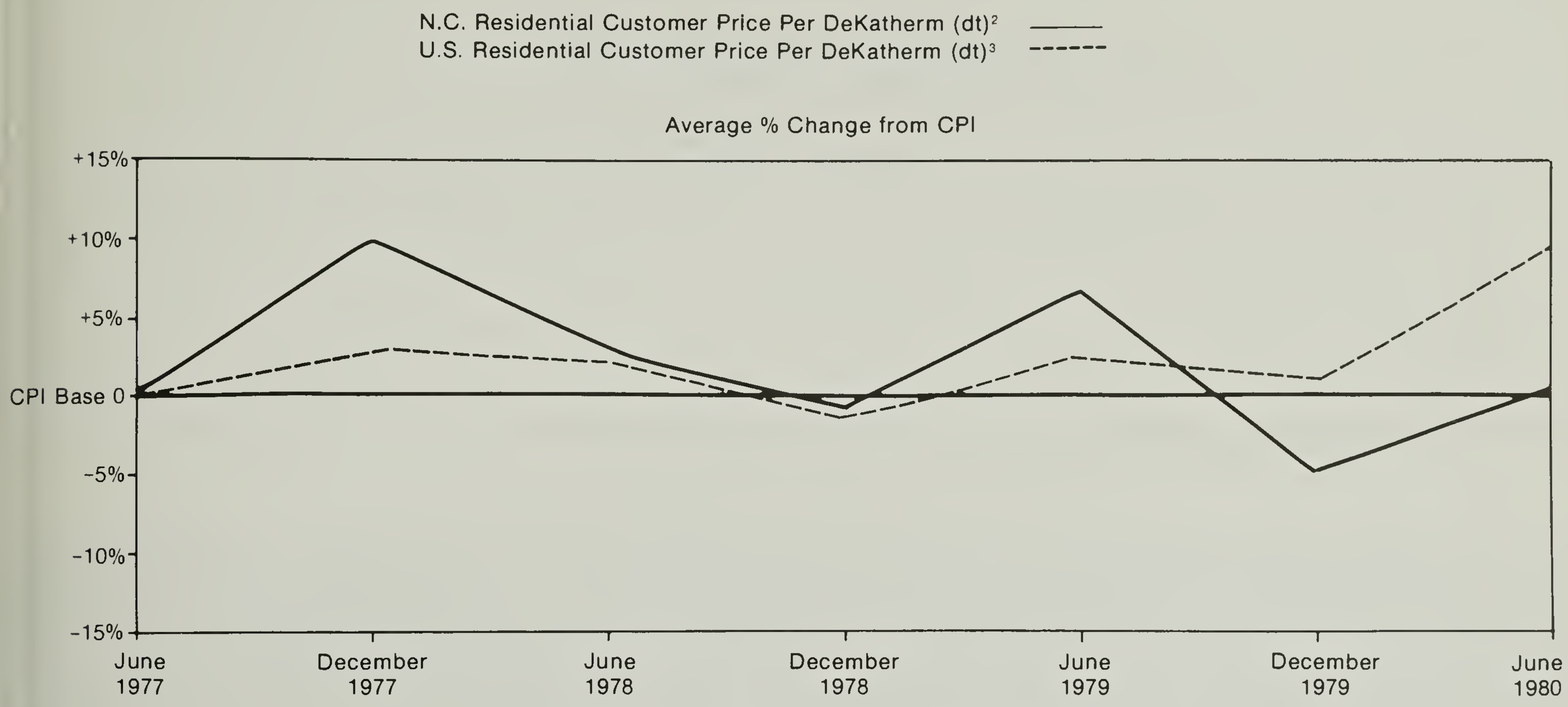
U.S. Semi-Annual Percentage Changes

	June 1977 Base Amount	June 1977 Base	Dec. 1977	June 1978	Dec. 1978	June 1979	Dec. 1979	June 1980	June 1980 Base Amount	% Change from June 1977
U.S. Price/Kwh	3.86¢	0	4.92%	3.70%	2.62%	2.09%	5.23%	7.34%	4.97¢	28.76%
U.S. CPI	175.8	0	3.24%	3.36%	4.16%	5.02%	5.95%	6.99%	232.6	32.31%
Difference from CPI		0	+1.60%	+ .34%	-1.54%	-2.93%	- .72%	+ .35%	———	———

FIGURE NO. 7

NORTH CAROLINA AND U.S. NATURAL GAS RATE CHANGES VS. CONSUMER PRICE INDEX (CPI)[1]

For the 12 month periods ending June 1977-1980 and December 1977-1979



Positive Changes = Prices rose faster than CPI
Negative Changes = Prices rose slower than CPI

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[1] CPI for all urban consumers — Monthly Labor Review.

[2] Quarterly reports from N.C. Natural, Piedmont, and Public Service Gas Companies.

[3] American Gas Associations annual publication "Gas Facts" and quarterly reports.

N.C. Semi-Annual Percent Changes

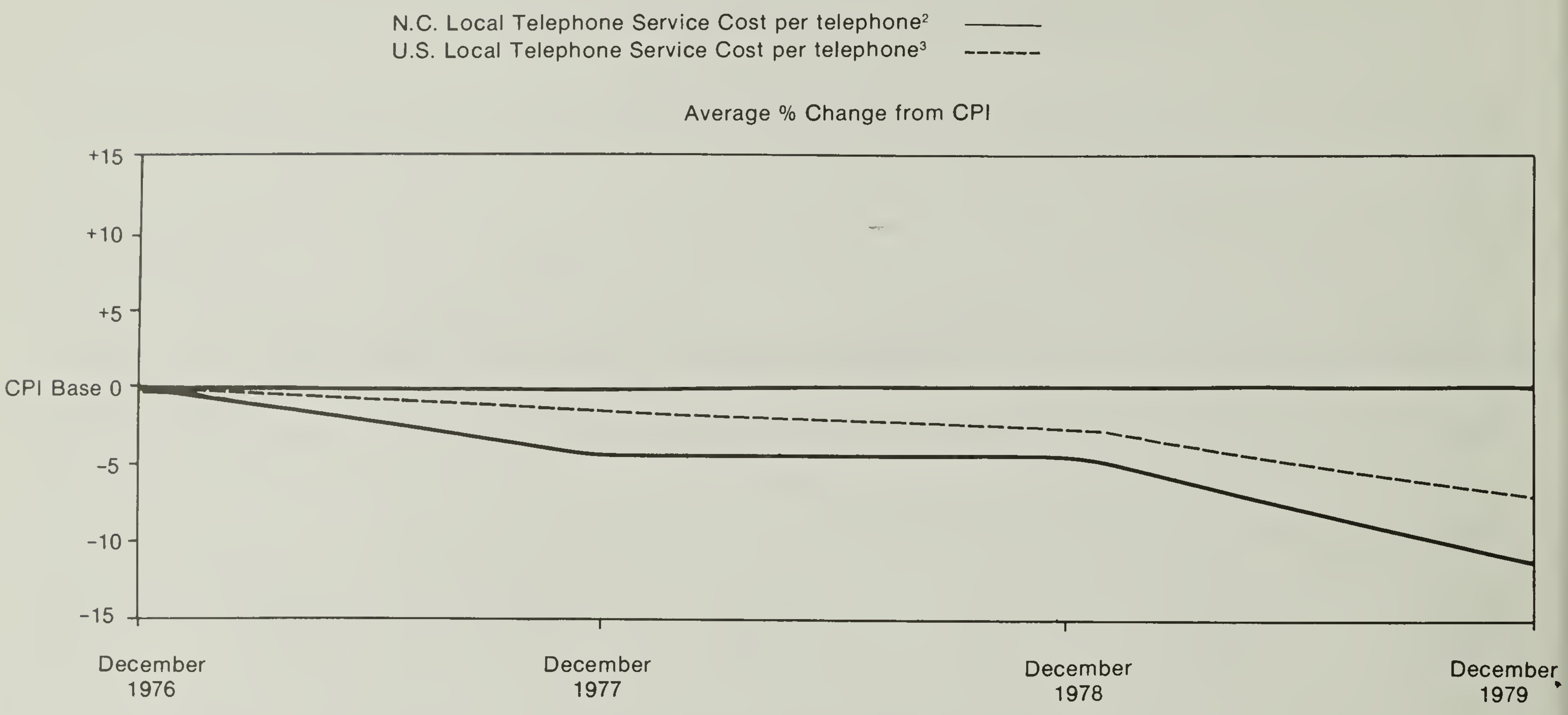
	June 1977 Base Amounts	June 1977 Base	Dec. 1977	June 1978	Dec. 1978	June 1979	Dec. 1979	June 1980	June 1980 Base Amount	% Changes from June 1977
N.C. Price (dt)	$ 2.49	0	13.25%	6.38%	3.33%	11.94%	1.15%	7.40%	$ 3.77	+51.41%
U.S. CPI	175.8	0	3.24%	3.36%	4.16%	5.02%	5.95%	6.99%	232.6	+32.31%
Difference from CPI		0	+10.01%	+3.02%	- .83%	+6.92%	-4.80%	+ .41%	———	———

U.S. Semi-Annual Percent Changes Vs. CPI

	June 1977 Base Amounts	June 1977 Base	Dec. 1977	June 1978	Dec. 1978	June 1979	Dec. 1979	June 1980	June 1980 Base Amounts	% Change from June 1977
U.S. Price (dt)	$ 2.21	0	5.43%	5.58%	2.85%	7.91%	6.96%	16.44%	$ 3.40	+53.84%
U.S. CPI	175.8	0	3.24%	3.36%	4.16%	5.02%	5.95%	6.99%	232.6	+32.31%
Difference from CPI		0	+ 2.91%	+2.22%	-1.31%	+2.89%	+1.01%	+ 9.45%	———	———

FIGURE NO. 8

NORTH CAROLINA AND U.S. TELEPHONE RATE CHANGES VS. CONSUMER PRICE INDEX (CPI)[1]
For the 12 month periods ending December 31, 1976-1979



Positive Changes = costs rose faster than CPI
Negative Changes = costs rose slower than CPI

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[1] CPI for all urban consumers — Monthly Labor Review.
[2] Annual report to the Federal Communications Commission — Form M.
[3] "Independent Telephone Statistics" of the U.S. Independent Telephone Association and AT&T stockholders reports.

N.C. Annual Percentage Change

	Dec. 1976 Base Amounts	Dec. 1976 Base	Dec. 1977	Dec. 1978	Dec. 1979	Dec. 1979 Base Amounts	% Change from Dec. 1976
N.C. Cost	$8.85/mo.	0	2.07%	3.44%	.05%	$9.35/mo.	+ 5.65%
U.S. CPI	170.5	0	6.45%	7.66%	11.26%	217.4	+27.51%
Difference from CPI		0	-4.38%	-4.22%	-11.21%	———	———

U.S. Annual Percentage Change

	Dec. 1976 Base Amounts	Dec. 1976 Base	Dec. 1977	Dec. 1978	Dec. 1979	Dec. 1979 Base Amounts	% Change from Dec. 1976
U.S. Cost	$10.20/mo.	0	4.89%	5.00%	4.19%	$11.72/mo.	+14.90%
U.S. CPI	170.5	0	6.45%	7.66%	.11.26%	217.4	+27.51%
Difference from CPI		0	-1.47%	-2.66%	- 7.07%	———	———

III. Summary Of The Commission Activities And Operations — 1977-1978 And Prior Years

FIGURE NO. 9

HIGHLIGHTS OF ACTIVITIES ELECTRIC, GAS & TELEPHONE UTILITIES 1978 vs 1977 (Dollars in Thousands)

	Electric Class A 1977	Electric Class A 1978	% Change	Gas All Classes 1977	Gas All Classes 1978	% Change	Telephone All Classes 1977	Telephone All Classes 1978	% Change
Revenue & Expenses (N.C. Only):									
Operating Revenues	$ 1,675,756	$ 1,873,386	11.8	$203,672	$226,020	11.0	$ 836,298	$ 969,536	15.9
Operating Expenses	1,375,375	1,541,861	12.1	185,636	204,949	10.4	670,006	772,912	15.4
Net Operating Income	$ 300,381	$ 331,525	10.4	$ 18,036	$ 21,071	16.8	$ 166,292	$ 196,624	18.2
Fixed Charges	160,587	164,039	2.1	9,530	10,826	13.6	57,829	65,212	12.8
Net Income	$ 241,509	$ 299,649	24.1	$ 9,174	$ 10,973	19.6	$ 124,564	$ 147,000	18.0
Plant (N.C. Only):									
Gross Plant*	$ 6,200,649	$ 6,801,764	9.7	$314,202	$329,811	5.0	$2,758,389	$3,024,314	
Accumulated Depreciation	1,143,050	1,288,373	12.7	86,346	94,787	9.8	588,486	647,745	10.1
Net Plant	$ 5,057,599	$ 5,513,391	9.0	$227,856	$235,024	3.1	$2,169,903	$2,376,569	9.5
Capital Structure (Systemwide):									
Capital Stock & Surplus	$ 5,212,546	$ 5,790,271	11.1	$123,603	$125,586	1.6	$4,629,703	$4,978,615	
Long-term Debt	5,461,216	5,809,051	6.4	166,469	159,481	(4.2)	3,270,382	3,435,518	5.0
Total Capital Structure	$10,673,762	$11,599,322	8.7	$290,072	$285,067	(1.7)	$7,900,085	$8,414,133	6.5
Long-term Debt % of Total Capitalization	51.2%	50.1%	(2.1)	57.4%	55.9%	(2.6)	41.4%	40.8%	(1.4)
Other Statistics (N.C. Only):									
Total Customers—Yearly Avg.	1,546,846	1,584,666	2.4	321,639	328,095	2.0			
Average No. KWH's (Electric) or MCF's (Gas) used per Residential Customer	11,971	12,110	1.2	100	106	6.0			
Average Revenue per KWH or MCF per Residential Customer	$ 3.56¢	$ 3.84¢	7.9	$ 2.89¢	$ 3.12¢	8.0			
Total Telephones in Service (Mains & Extensions)							3,634,933	3,823,170	5.2
Average No. of Calls per Phone:							1,944	1,843	(5.2)
Local							134	196	46.3
Toll									

*Includes Plant in Service, Under Construction, and Held for Future Use.

A. NUMBER OF COMPANIES REGULATED

In 1977 and 1978 the number of new companies coming under regulation outnumbered the sales, mergers and abandonments. At December 31, 1978, there were 1,214 companies regulated by the Utilities Commission as compared with 1,205 in 1977 and 1,181 in 1976. In addition, 80 municipal utility systems, while not regulated by the Commission, were required to file annual reports, making a total of 1,294 utilities regulated or required to file annual reports. Many changes take place annually in the various utility groups, since new companies are being certified and others are being deleted because of sales, mergers, abandonments, etc. See Figure No. 10.

B. COMMISSION CASE LOAD: FORMAL AND INFORMAL HEARINGS

In addition to the multiplicity of decisions made informally by the Commission in conferences with its staff and interested parties and the many small complaints and inquiries disposed of daily by individual Commissioners and individual staff heads (both Commission and Public Staff) through correspondence, by telephone, and personal discussions with utility customers, executives, and various representatives, organizations and associations, the Commission maintains a full docket of formal and semiformal hearings and conferences.

During 1978, there were 2,464 proceedings acted upon, as compared with 2,613 in 1977 and 1,775 in 1976. The formal hearings increased by 18 in 1977 over 1976 (262 compared to 244), but decreased by 37 in 1978 over 1977 (225 to 262). For the same period, the informal hearings increased by 891 for 1977 over 1976, but decreased by 102 for 1978 over 1977. See Figure No. 11 and 12 for 1977 and 1978 comparative years proceedings.

All these increased proceedings required much more time and effort by personnel of both the Commission and Public Staffs, and more time in actual public hearings. Due to the increased amount of testimony offered in the general rate cases, the number of pages of transcript transcribed by the court reporters increased over previous years as follows:

Year	No. Pages Transcribed
1975	27,938
1976	23,942
1977	30,056
1978	34,057

The general rate increase hearings continue to generate much public interest. Several segments of the public sector intervene with the Attorney General representing some of the parties, and others providing their own legal counsel. In addition, the Commission's Public Staff, created by the 1977 Legislature as an independent advocate, charged with the responsibility of representing the using and consuming public in matters heard by the Commission, intervened in most cases and made their recommendations to the Commissioners.

Both the Commission and Public Staffs' participation in the formal general rate increase cases continued to increase as the case load increased and many aspects of rate-making became more technical.

As shown on Figure No. 12, many docketed issues are settled by lettertype orders and rulings. These are largely matters in which no one has intervened or no general public interest has been demonstrated, as in the case of many gas, electric, telephone, and transportation tariff filings. These types of proceedings accounted for 79% of the total proceedings before the Commission in 1976, 87% in 1977 and 88% in 1978, however, they generally require only about 10 to 20% of the time of the Commission's staff and the Commissioners.

Complaint Activity

Another important facet of the Commission and Public Staff workload involves the handling of customer complaints dealing with all aspects of utility operations and services. A vast majority of these complaints are settled without becoming a docketed item and going into informal hearing proceedings. The Public Staff's Consumer Services Division investigated and resolved a majority of these complaints. To illustrate the magnitude of this phase of the Commission workload, the number of complaints received and handled in 1976 was 2,646; in 1977, 3,461; and in 1978, 3,358.

C. GENERAL IMPACT OF THE REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA IN 1978

The regulated utility companies made significant contributions to the economy of the State during 1977 and 1978. There were 1,285 companies in 1977 and 1,294 in 1978. Figure No. 13, 14, and 15 portray the magnitude of the contributions in chart and table form. In 1978, employment by the utilities showed an increase of 4.9% over 1977, and 1977 showed an increase of 4.9% over 1976. As shown on Figure No. 14, there was a mixture of increases and decreases in the number of full-time employees; however, the percent of total employment by utilities of the grand total of all insured workers employed in North Carolina in 1978 was 4.7%, a decrease from the 1977 figure of 4.8%.

Although utility employment showed a slight increase in 1977 and 1978, salaries and wages paid to the utilities employees increased in dollar amount from over 1,027 billion in 1976 to 1,172 billion in 1977 (14.1% increase), to 1,335 billion in 1978 (13.9% increase).

State income, franchise, and property taxes paid by the regulated sector of the State's business community continued to be substantial and maintained about the same share of the State totals of these taxes as prevailed in prior years.

Type Taxes	Utilities Percent of State Totals 1976	1977	1978
State Income (Domestic and Foreign Corporations only)	12.9%	12.5%	15.1%
State Franchise Taxes	90.6%	98.1%	98.4%
Bus, Truck & Franchise Fees	17.6%	17.9%	17.6%
Local Property Taxes	8.2%	8.7%	8.7%
Total of Above Taxes	20.2%	21.6%	22.6%

Concurrent with the continuing increases in wages and taxes paid by the regulated utilities, gross operating revenue continued its substantial increase over previous years. Figure No. 15 depicts this growth with the four (4) electric Class A companies showing an increase of 15.3% in 1977 and 11.8% in 1978 with all utilities showing an increase of 12.0% in 1977 and 11.9% in 1978.

Investment in gross plant allocated to North Carolina by the electric, gas, and telephone utility companies continued to increase over prior years. The increases in recent years have been 7.8% in 1976, 9.3% in 1977, and 9.5% in 1978, totaling almost $10.2 billion ($10,155,889,000) at December 31, 1978 (see Figure No. 16). This additional plant investment will serve the increasing number of electric and gas customers which were 1,912,761 in 1978 as compared with 1,868,485 in 1977, a gain of 2.4%; and the increased number of telephones in service that rose from 3,634,933 in 1977 to 3,823,170 in 1978 for a gain of 5.2%.

The regulated motor freight industry and the railroads play an important role in moving raw and finished material in and out of our State. Both of these groups of utility companies had increases in gross operating revenues for their North Carolina operations in 1977 and 1978. The motor freight industry (Class I and II carriers) increased its vehicle miles operated in North Carolina in 1978 over 1977 by 4.5%. The tons of revenue freight hauled by the railroads in North Carolina decreased 2.2 million tons in 1978 from 1977, after an increase of 6.5 million tons in 1977 over 1976. The tons of revenue freight originating in North Carolina increased in 1978 over 1977 by 658,000 tons for a 3.2% increase.

The motor passenger carriers operating in North Carolina experienced some financial operating difficulties, as the trend continued in people using public transportation less than in previous periods for commuting to and from work and utilizing other forms of transportation for travel in general. The number of passengers carried in 1978 over 1977 decreased 4.4% for intracity carriers and decreased 23.5% for intercity carriers. The number of school children hauled decreased by 241,000 (or 20.9%), for 1978 over 1977, as more counties purchased school buses and discontinued using the private bus sector.

FIGURE NO. 10

UTILITIES REGULATED AND REPORTING TO THE NORTH CAROLINA UTILITIES COMMISSION
1963, 1968, 1973, 1976, 1977, 1978

Type of Utility or Service	Number as of December 31					
	1963	1968	1973	1976	1977	1978
Electric	14	12	13	13	11	10
Gas	8	7	5	5	5	5
Motor Freight Carriers by Type:						
Common Carriers	521	523	529	528	530	533
Contract Carriers	75	70	77	88	88	89
Common & Contract Carriers	15	24	19	21	21	21
Railroad Motor Freight Carriers	6	5	5	5	5	5
Total Motor Freight Carriers	617	622	630	642	644	648
Motor Passenger Carriers by Type:						
Common Carriers	55	49	45	50	57	59
Contract Carriers	13	11	7	5	4	4
Intracity Carriers (fares only regulated)	12	9	9	9	10	10
Total Motor Passenger Carriers	80	69	61	64	71	73
Motor Boat Common Carriers	1	2	3	2	2	2
Railroads	29	26	23	23	23	23
Transportation Brokers	2	4	5	16	26	27
Telephone	34	29	28	26	24	22
Telegraph	1	1	1	1	1	1
Water & Sewer	107	144	243	389	398	403
Total Utilities Under Regulation	893	916	1,012	1,181	1,205	1,214
Municipal Utility Systems Required to file Annual Reports with N.C. Utilities Commission:						
Electric	73	73	72	72	71	71
Gas	8	8	8	8	8	8
Telephone	1	1	1	1	1	1
Total Municipals Filing Annual Reports	82	82	81	81	80	80
Grand Total of Utilities Regulated or Required to File Reports	975	998	1,093	1,262	1,285	1,294

FIGURE NO. 11

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION DURING THE CALENDAR YEAR ENDING DECEMBER 31, 1977

(Does not include minor-type customer complaints settled by Commissioners
and Staff Personnel)

	Division and Number of Proceedings											
Item	**Buses**	**Electric**	**Gas**	**Housing**	**Railroads**	**Telephones**	**Trucks**	**Water & Sewer**	**Western Union**	**Railway Express**	**Gen. & Miscl.**	**Grand Totals**
Total Proceedings Before Commission	52	93	101	1	60	559	1,550	183	-0-	1	13	2,613
Disposition of Proceedings:												
1. Formal Hearings held with orders to follow:	13	40	35	1	4	15	70	84	-0-	-0-	-0-	262
2. Conferences with informal hearings held with the following type of decisions resulting:												
a. Regular & letter type Orders and Rulings	37	43	62	-0-	47	541	1,457[1]	76	-0-	1	11	2,275
b. Short form orders issued	-0-	-0-	-0-	-0-	7	-0-	15	-0-	-0-	-0-	-0-	22
3. Filings open as of 12-31-77:												
Rate Changes	-0-	7	2	-0-	1	2	-0-	8	-0-	-0-	-0-	20
Others	2	3	2	-0-	1	1	8	15	-0-	-0-	2	34
Total Proceedings Accounted For	52	93	101	1	60	559	1,550	183	-0-	1	13	2,613
Percent of Grand Total	2.0	3.6	3.9	-0-	2.3	21.4	59.3	7.0	-0-	-0-	.5	100.0
Number of Orders Appealed	-0-	2	-0-	-0-	-0-	1	-0-	-0-	-0-	-0-	-0-	3

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[1] Includes 1,088 orders issued by wire service granting temporary operating permits.

FIGURE NO. 12

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION DURING THE CALENDAR YEAR ENDING DECEMBER 31, 1978

(Does not include minor-type customer complaints settled by Commissioners
and Staff Personnel)

	Division and Number of Proceedings											
Item	**Buses**	**Electric**	**Gas**	**Housing**	**Railroads**	**Telephones**	**Trucks**	**Water & Sewer**	**Western Union**	**Railway Express**	**Gen. & Miscl.**	**Grand Totals**
Total Proceedings Before Commission	48	155[1]	72	1	75	560	1,353	170	2	-0-	28	2,464
Disposition of Proceedings:												
1. Formal Hearings held with orders to follow:	20	51	19	1	9	15	38	63	1	-0-	8	225
2. Conferences with informal hearings held with the following type of decisions resulting:												
a. Regular & letter type Orders and Rulings	24	99	49	-0-	56	542	1,291[2]	97	1	-0-	14	2,173
b. Short form orders issued	-0-	-0-	-0-	-0-	9	-0-	13	-0-	-0-	-0-	-0-	22
3. Filings open as of 12-31-78:												
Rate Changes	-0-	-0-	2	-0-	-0-	1	1	3	-0-	-0-	-0-	7
Others	4	5	2	-0-	1	2	10	7	-0-	-0-	6	37
Total Proceedings Accounted For	48	155	72	1	75	560	1,353	170	2	-0-	28	2,464
Percent of Grand Total	2.0	6.3	2.9	-0-	3.0	22.7	54.9	6.9	.1	-0-	1.2	100.0
Number of Orders Appealed	-0-	-0-	1	-0-	1	2	-0-	-0-	-0-	-0-	-0-	4

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[1] Includes Fuel Adjustment Applications and Rate Schedule Filings by Cooperatives.

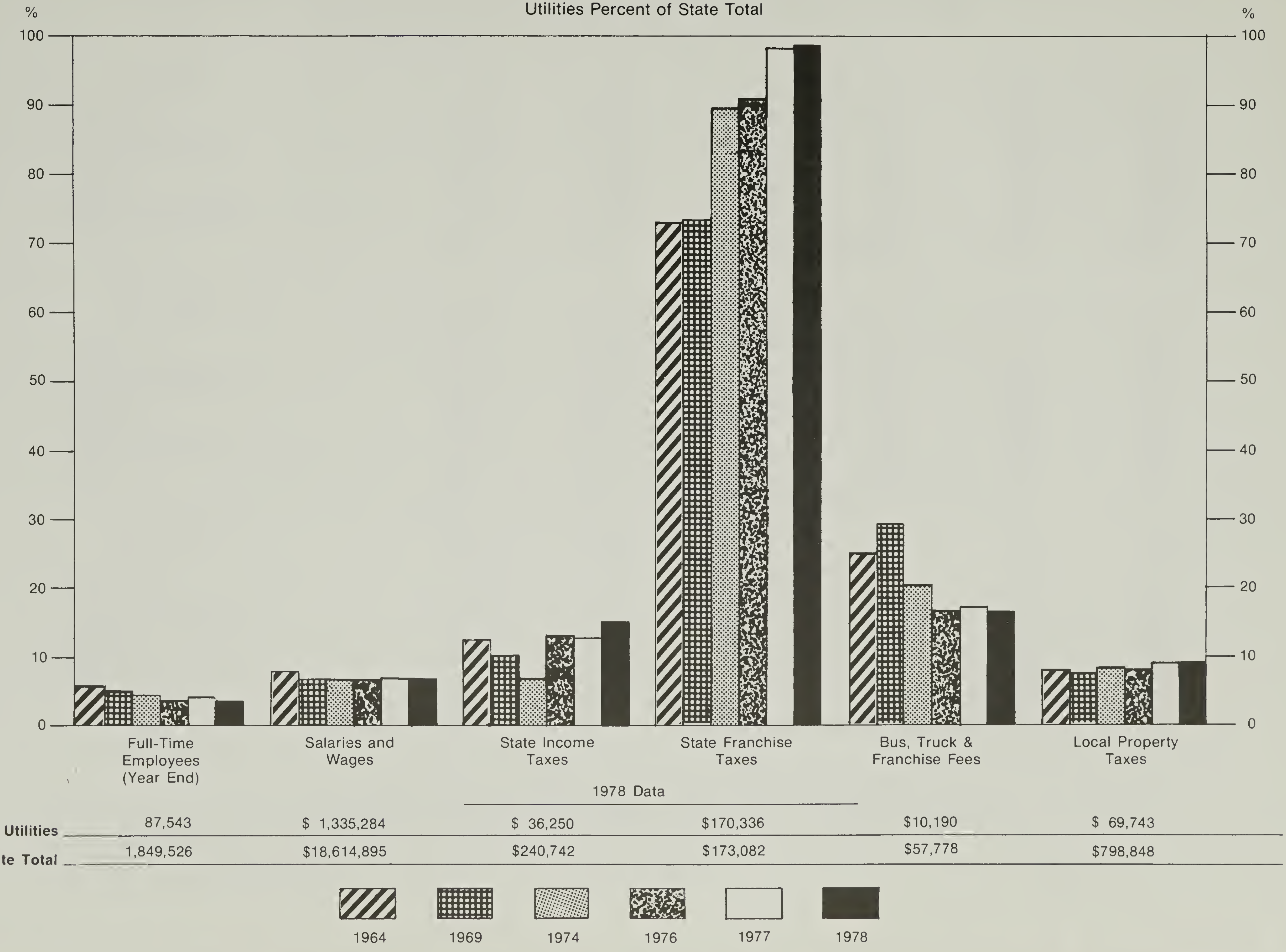
[2] Includes 1,130 Orders issued by wire service granting temporary operating permits.

FIGURE NO. 13

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA

1964, 1969, 1974, 1976-1978

Utilities Percent of State Total



1978 Data

	Full-Time Employees (Year End)	Salaries and Wages	State Income Taxes	State Franchise Taxes	Bus, Truck & Franchise Fees	Local Property Taxes
Utilities	87,543	$ 1,335,284	$ 36,250	$170,336	$10,190	$ 69,743
State Total	1,849,526	$18,614,895	$240,742	$173,082	$57,778	$798,848

FIGURE NO. 14

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES PAID OR LEVIED—FOR THE YEARS 1964, 1969, 1974, 1976-1978

Number of Full-Time Employees (N.C. Portion Only)

	1964	1969	1974	1976	1977	1978
Electric (Class A only)	7,462	8,824	14,524	14,442	15,676	16,800
Gas	1,328	1,863	1,851	1,757	1,765	1,796
Telephone	11,563	16,526	20,146	19,003	19,039	19,896
Motor Freight Carriers(A)	25,072	33,472	37,183	35,428	37,925	40,223
Motor Passenger Carriers(A)	2,619	2,667	2,770	2,434	2,305	2,176
Railroads	8,912	7,449	7,515	6,338	6,585	6,531
Western Union	274	294	239	127	123	121
Total Utilities	57,230	71,095	84,228	79,529	83,418	87,543
Total for State	1,026,708	1,333,349	1,724,709	1,680,223	1,753,246	1,849,526
Utilities % of State Total	5.6%	5.3%	4.9%	4.7%	4.8%	4.7%

Salaries and Wages Paid to N.C. Employees ($000's)

	1964	1969	1974	1976	1977	1978
Electric (Class A only)	$ 46,296	$ 69,817	$ 168,099	$ 193,818	$ 224,843	$ 263,222
Gas	6,973	12,716	17,094	19,712	20,804	23,117
Telephone	62,614	108,143	206,008	244,140	273,292	313,745
Motor Freight Carriers(A)	150,116	253,258	397,185	438,954	512,753	585,638
Motor Passenger Carriers(A)	12,972	16,508	22,578	24,134	25,131	25,402
Railroads	54,938	66,028	100,255	105,472	113,949	122,722
Western Union	1,411	2,006	1,899	1,317	1,419	1,438
Total Utilities	$ 335,320	$ 528,476	$ 913,118	$ 1,027,547	$ 1,172,191	$ 1,335,284
Total for State(A)	$4,280,588	$7,380,668	$13,107,494	$14,677,349	$16,255,442	$18,614,895
Utilities % of State Total	7.8%	7.2%	7.0%	7.0%	7.2%	7.2%

Average Annual Compensation

	1964	1969	1974	1976	1977	1978
Electric (Class A only)	$ 6,204	$ 7,912	$ 11,574	$ 13,420	$ 14,343	$ 15,668
Gas	5,250	6,825	9,235	11,219	11,787	12,872
Telephone	5,415	6,544	10,226	12,847	14,354	15,769
Motor Freight Carriers	5,987	7,566	10,682	12,390	13,520	14,560
Motor Passenger Carriers	4,953	6,190	8,151	9,524	10,903	11,674
Railroads	6,164	8,864	13,341	16,641	17,304	18,791
Western Union	5,145	6,822	7,947	10,370	11,537	11,887
Total Utilities	$ 5,859	$ 7,433	$ 10,841	$ 12,920	$ 14,052	$ 15,253
Total for State	$ 4,169	$ 5,535	$ 7,600	$ 8,735	$ 9,272	$ 10,065

(A) Table 1, "Insured Employment & Wage Payments" for years reported Motor Freight — Industry Group 421; Motor Passenger — Industry Group 411 & 413. State totals are for all industries with insured employment.

FIGURE NO. 14—Continued

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES PAID OR LEVIED—FOR THE YEARS 1964, 1969, 1974, 1976-1978

State Income Taxes ($000's)

	1964	1969	1974	1976	1977	1978
Electric (Class A only)	$ 4,643	$ 4,390	$ 2,341	$ 12,034	$ 11,386	$ 18,115
Gas	419	592	933	1,112	827	907
Telephone	3,244	4,785	7,071	10,699	12,323	14,333
Motor Freight Carriers (Class I & II)	615	422	1,159	1,475	1,775	1,724
Motor Passenger Carriers(A)	170	131	147	138	121	117
Railroads	546	613	618	711	1,058	1,054
Total Utilities	$ 9,637	$ 10,933	$ 12,269	$ 26,169	$ 27,490	$ 36,250
Total for State(B)	$ 76,916	$109,118	$165,474	$203,398	$220,117	$240,742
Utilities % of State Total	12.5%	10.0%	7.4%	12.9%	12.5%	15.1%

State Franchise Taxes & Bus, Truck and Franchise Fees ($000's)

	1964	1969	1974	1976	1977	1978
Electric (Class A only)	$15,551	$ 24,338	$ 63,952	$ 86,894	$ 98,990	$111,594
Gas	2,868	5,210	8,469	10,307	12,145	13,563
Telephone	8,403	13,799	25,982	33,614	37,146	43,471
Motor Freight Carriers(C)	5,978	9,105	9,468	8,603	8,973(D)	9,592(D)
Motor Passenger Carriers(C)	277	344	526	523	714	598
Railroads	1,076	1,256	1,507	1,594	1,603	1,671
Western Union(B)	23	27	32	35	33	37
Total Utilities	$ 34,176	$ 54,079	$109,936	$141,570	$159,604	$180,526
Total for State(B)(C)	$ 62,439	$ 92,940	$161,529	$197,941	$206,845	$230,860
Utilities % of State Total	54.7%	58.2%	68.1%	71.5%	77.2%	78.2%

Local Property Taxes ($000's)

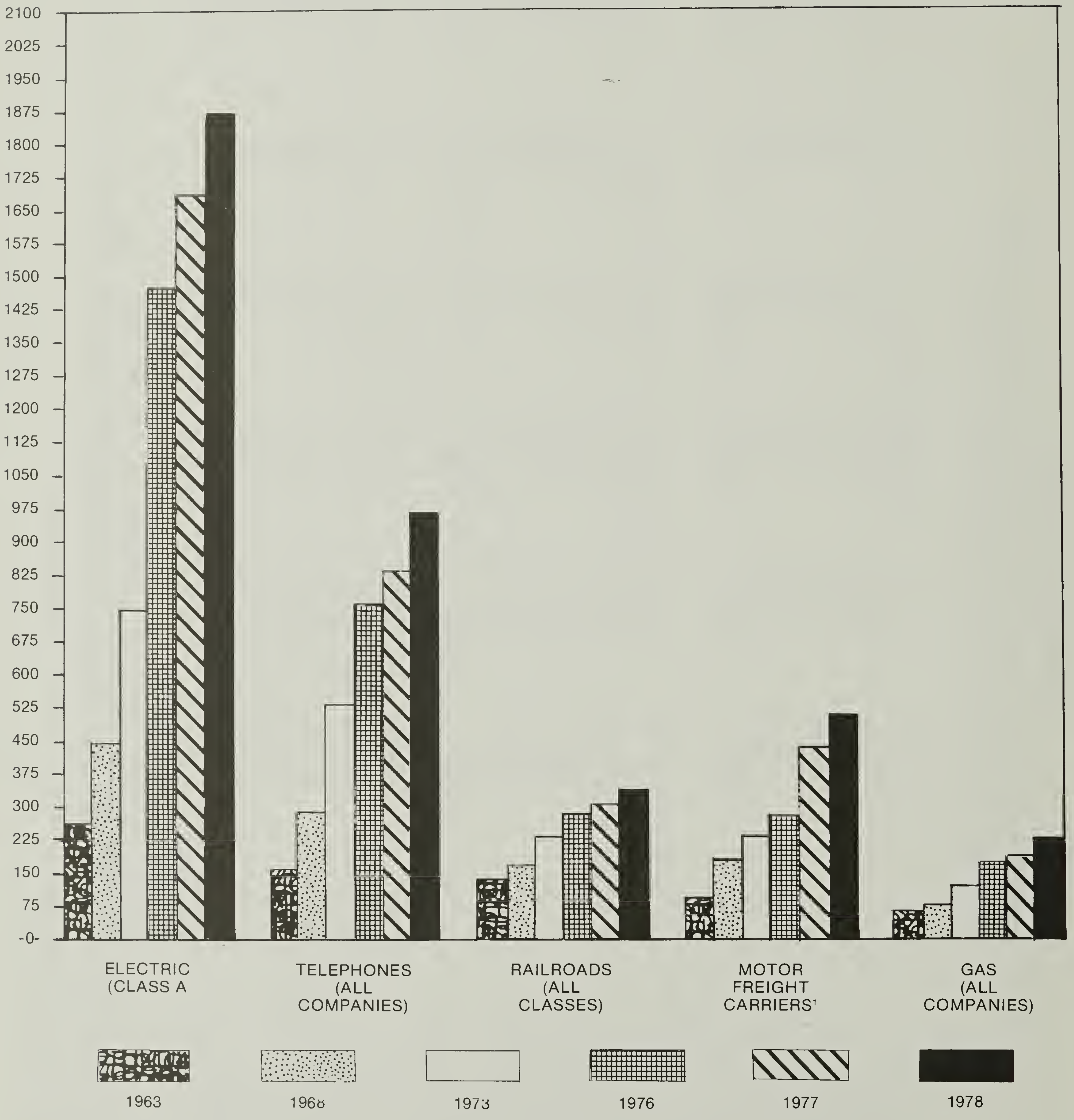
	1964	1969	1974	1976	1977	1978
Electric (Class A only)	$ 8,192	$ 12,436	$ 22,806	$ 28,184	$ 30,506	$ 33,314
Gas	1,180	2,173	2,731	2,813	2,793	2,898
Telephone	5,282	10,251	20,655	24,152	25,466	27,641
Motor Freight Carriers (Class I & II)	682	1,405	1,721	1,725	1,750	1,770
Railroads	3,533	3,144	3,427	3,756	3,700	4,064
Western Union(E)	29	40	66	62	59	56
Total Utilities	$ 18,898	$ 29,449	$ 51,406	$ 60,692	$ 64,274	$ 69,743
Total for State(F)	$236,942	$389,764	$614,893	$741,318	$736,030	$798,848
Utilities % of State Total	8.0%	7.6%	8.4%	8.2%	8.7%	8.7%

(A) 1972 - 1978 data - N.C. Tax Research Department. 1970 data - table 42 - 1972 "Statistics of Taxation".
(B) Statement of the revenues of the General Fund for the fiscal years reported, from the Department of Administration, Budget Division, State Income Tax Totals for domestic and foreign corporations only.
(C) From Motor Vehicles Department - state totals include bus and franchise taxes, truck and trailer plates, for hire plates.
(D) Estimated
(E) "Statistics of Taxation" for appropriate years — Table 54, 55, 57, 76, 77, 81, 82, 100, 102, 113 & 113.
(F) Table 54 — 1978 "Statistics of Taxation".

FIGURE NO. 15

GROSS OPERATING REVENUES OF THE MAJOR UTILITIES IN NORTH CAROLINA N.C. DATA ONLY

For the Calendar Years 1963, 1968, 1973, 1976-1978
(000's)



	Motor Passenger Carriers	Water & Sewer[2,3,4]	Western Union
1963	$22.9 Million	$685 Thousand	$629 Thousand
1968	27.4 Million	1.5 Million	1.0 Million
1973	30.1 Million	3.1 Million	748 Thousand
1976	34.7 Million	3.2 Million	813 Thousand
1977	25.4 Million	3.3 Million	807 Thousand
1978	26.3 Million	3.5 Million	793 Thousand

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[1] For 1963—Classes I, II & III were used. For 1967 and all future years Classes I & II were used.

[2] For 1968-1973 65 of the larger companies.

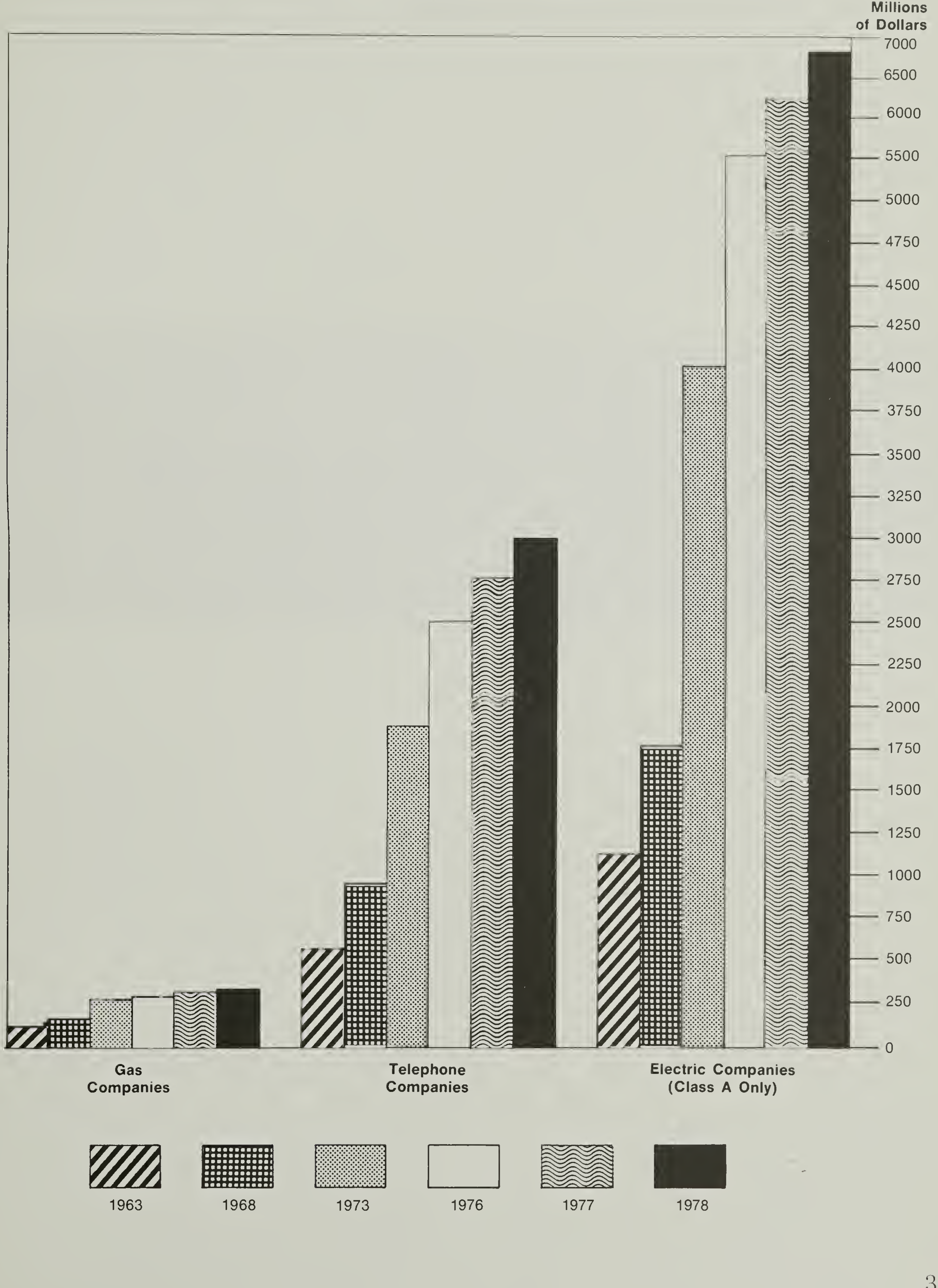
[3] For 1976, 26 of the larger companies.

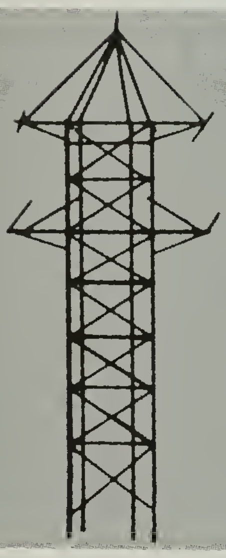
[4] For 1977-1978, 14 of the larger companies.

FIGURE NO. 16

GROSS PLANT ALLOCATED TO SERVE NORTH CAROLINA CUSTOMERS
ELECTRIC—GAS—TELEPHONE

For the Years 1963, 1968, 1973, 1976-1978





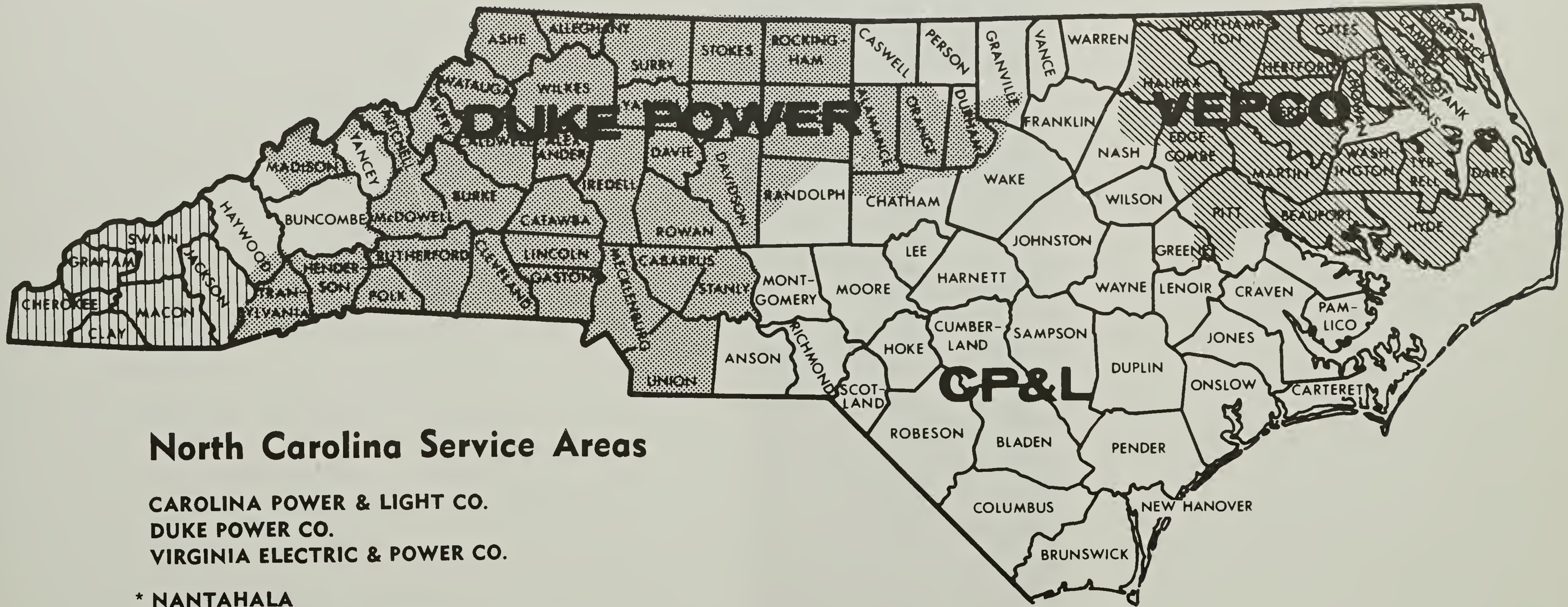
IV. The Electric Power Industry

FIGURE NO. 17

Private Power Company Service Areas

CLASS A COMPANIES

Regulated by North Carolina Utilities Commission



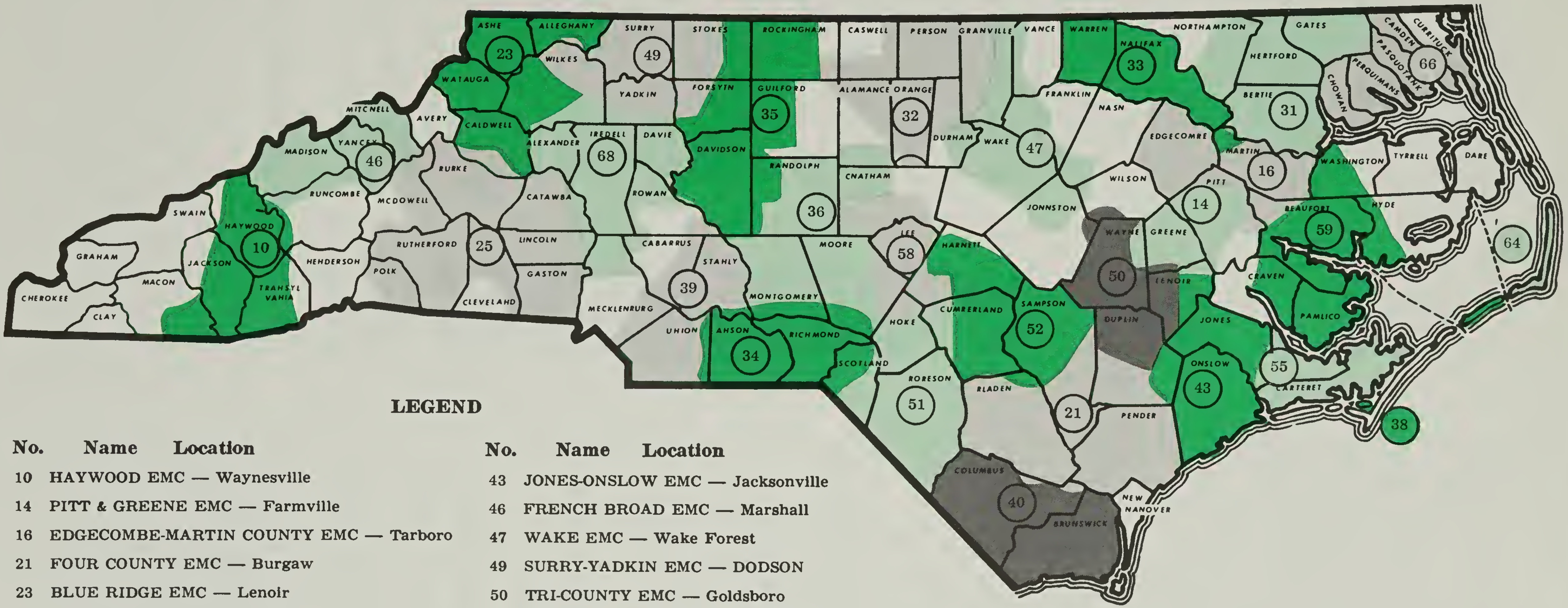
North Carolina Service Areas

CAROLINA POWER & LIGHT CO.
DUKE POWER CO.
VIRGINIA ELECTRIC & POWER CO.

* NANTAHALA
* SERVES PORTIONS OF THE FOLLOWING COUNTIES: CHEROKEE, CLAY, GRAHAM, JACKSON, MACON, SWAIN

Service Area Boundaries as of January 1, 1980

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATIONS



LEGEND

No.	Name	Location
10	HAYWOOD EMC	Waynesville
14	PITT & GREENE EMC	Farmville
16	EDGECOMBE-MARTIN COUNTY EMC	Tarboro
21	FOUR COUNTY EMC	Burgaw
23	BLUE RIDGE EMC	Lenoir
25	RUTHERFORD EMC	Forest City
31	ROANOKE EMC	Rich Square
32	PIEDMONT EMC	Hillsborough
33	HALIFAX EMC	Enfield
34	PEE DEE EMC	Wadesboro
35	DAVIDSON EMC	Lexington
36	RANDOLPH EMC	Asheboro
38	HARKERS ISLAND EMC	Harkers Island
39	UNION EMC	Monroe
40	BRUNSWICK EMC	Shallotte

No.	Name	Location
43	JONES-ONSLOW EMC	Jacksonville
46	FRENCH BROAD EMC	Marshall
47	WAKE EMC	Wake Forest
49	SURRY-YADKIN EMC	DODSON
50	TRI-COUNTY EMC	Goldsboro
51	LUMBEE RIVER EMC	Red Springs
52	SOUTH RIVER EMC	Dunn
55	CARTERET-CRAVEN EMC	Morehead City
58	CENTRAL EMC	Sanford
59	TIDELAND EMC	Pantego
64	CAPE HATTERAS EMC	Buxton
66	ALBEMARLE EMC	Hertford
68	CRESCENT EMC	Statesville

FIGURE NO. 18

Service Area Boundaries as of January 1, 1980

NORTH CAROLINA ELECTRIC
MEMBERSHIP CORPORATION
3333 North Boulevard
Raleigh, N.C. 27604

FIGURE NO. 19

POWER COMPANIES—CLASS A

December 31, 1979

CAROLINA POWER AND LIGHT COMPANY
RALEIGH, NORTH CAROLINA

Organized: April 6, 1926
President: Sherwood H. Smith, Jr., Raleigh, N.C.
Chairman of the Board: Shearon Harris, Raleigh, N.C.
Secretary: Joseph L. Lancaster, Jr., Raleigh, N.C.
Service (For North Carolina): Electric
States Served: North Carolina & South Carolina

DUKE POWER COMPANY, CHARLOTTE, NORTH CAROLINA

Organized: May 1, 1917
President: William S. Lee, Charlotte, N.C.
Chairman of the Board: Carl Horn, Jr., Charlotte, N.C.
Secretary: George W. Ferguson, Jr., Charlotte, N.C.
Service (For North Carolina): Electric, Water, Bus
States Served: North Carolina & South Carolina

NANTAHALA POWER AND LIGHT COMPANY
FRANKLIN, NORTH CAROLINA

Organized: July 23, 1929
President: W. M. Jontz, Franklin, N.C.
Secretary: W. W. Sloan, Franklin, N.C.
Service: Electric
State Served: North Carolina

VIRGINIA ELECTRIC AND POWER COMPANY,
RICHMOND, VIRGINIA

Organized: June 29, 1909
President: William W. Berry, Richmond, Va.
Vice President—Southern Division: C.M. Jarvis, Williamston, N.C.
Secretary: S. B. Robertson, Richmond, Va.
Service (For North Carolina): Electric
States Served: North Carolina, Virginia and West Virginia

POWER COMPANIES—CLASS B, C & D

	Towns or Counties Served
Crisp Power Company, Inc.	Edgecombe County
Davenport Power & Light Company[1]	Edgecombe and Wilson Counties
Domestic Electric Service, Inc.[2]	Edgecombe and Wilson Counties
Laurel Hill Electric Company	Scotland County
New River Light & Power Company	Watauga County
Pamlico Power & Light Company[3]	Dare and Hyde Counties
Pinehurst, Inc.	Pinehurst, N.C.
Roselle Lighting Company[4]	Rowan County
Western Carolina University[5]	Jackson County

MUNICIPAL ELECTRIC SYSTEMS AND SOURCE OF POWER

Municipality	**Source of Power**
Albemarle	Duke Power Company
Apex	Carolina Power & Light Company
Ayden[6]	Greenville
Belhaven	Virginia Electric & Power Company
Benson	Carolina Power & Light Company
Black Creek	Wilson
Bostic	Duke Power Company, Southeastern Power Administration
Cherryville	Duke Power Company, Shelby
Clayton	Carolina Power & Light Company
Concord	Duke Power Company
Cornelius	Duke Power Company, Crescent Electric Membership Corp.
Dallas	Duke Power Company
Davidson[7]	Duke Power Company
Drexel	Duke Power Company, Southeastern Power Administration
Edenton	Virginia Electric & Power Company
Elizabeth City	Virginia Electric & Power Company
Enfield	Virginia Electric & Power Company Halifax Electric Membership
Farmville	Carolina Power & Light Company
Fayetteville	Carolina Power & Light Company
Forest City	Duke Power Company
Fountain	Farmville
Fremont	Carolina Power & Light Company
Gastonia	Duke Power Company
Granite Falls	Duke Power Company
Greenville	Virginia Electric & Power Company
Hamilton	Virginia Electric & Power Company
Hertford	Virginia Electric & Power Company
High Point	Duke Power Company
Highlands	Nantahala Power & Light Company
Hobgood	Virginia Electric & Power Company
Hookerton	Carolina Power & Light Company
Huntersville	Duke Power Company
Kings Mountain	Duke Power Company
Kinston	Carolina Power & Light Company
LaGrange	Carolina Power & Light Company
Landis	Duke Power Company
Laurinburg	Carolina Power & Light Company
Lexington	Duke Power Company
Lincolnton	Duke Power Company
Louisburg	Carolina Power & Light Company Southeastern Power Administration
Lucama	Wilson
Lumberton	Carolina Power & Light Company
Macclesfield	Wilson
Maiden	Duke Power Company

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[1] 69.1% leased to Pitt & Greene Electric Membership Corporation; 20.9% leased to Edgecombe-Martin County Electric Membership Corporation.

[2] Sold to Carolina Power & Light Corp., May 23, 1978 (Docket No. E-2, Sub 325).

[3] Sold to Tideland Electric Membership Corporation, Dec. 13, 1977 (Docket No. E-15, Sub 25).

[4] Sold to Town of Landis, Feb. 11, 1977 (Docket No. E-42).

[5] No operating or statistical data for this utility is included in this report. No report required by Commission.

[6] Contract expires May 30, 1980.

[7] Purchased by Duke Power Co., 1977.

Municipality	Source of Power	Municipality	Source of Power
Monroe	Duke Power Company	Selma	Carolina Power & Light Company
Morganton	Duke Power Company Southeastern Power Administration	Sharpsburg	Rocky Mount
		Shelby	Duke Power Company
Murphy	TVA	Smithfield	Carolina Power & Light Company
New Bern	Carolina Power & Light Company	Southport	Carolina Power & Light Company
Newton	Duke Power Company	Statonsburg	Wilson
Oak City	Edgecombe-Martin Electric Membership Corp.	Statesville	Duke Power Company
		Tarboro	Virginia Electric & Power Company
Pikeville	Carolina Power & Light Company	Wake Forest	Carolina Power & Light Company
Pine Tops	Wilson	Walstonburg	Wilson
Pineville	Duke Power Company	Washington	Virginia Electric & Power Company
Red Springs	Carolina Power & Light Company	Waynesville	Carolina Power & Light Company
Robersonville	Virginia Electric & Power Company	Wilson	Carolina Power & Light Company
Rocky Mount	Carolina Power & Light Company	Windsor	Virginia Electric & Power Company
Scotland Neck	Virginia Electric & Power Company	Winterville	Greenville

ELECTRIC MEMBERSHIP CORPORATIONS AND SOURCE OF POWER

Electric Membership Corporation	Headquarters	Source of Power
Albemarle	Hertford	Vepco, SEPA*
Blue Ridge	Lenoir	Duke, SEPA
Brunswick	Shallotte	CP&L, SEPA
Cape Hatteras	Buxton	Vepco
Carteret-Craven	Morehead City	CP&L, SEPA
Central	Sanford	CP&L, SEPA
Crescent	Statesville	Duke, SEPA
Davidson	Lexington	Duke
Edgecombe-Martin County	Tarboro	Vepco, SEPA
Four County	Burgaw	CP&L, SEPA
French Broad	Marshall	CP&L
Halifax	Enfield	CP&L, Vepco, SEPA
Harkers Island	Harkers Island	CP&L
Haywood	Waynesville	CP&L, Duke, Nantahala, SEPA
Jones-Onslow	Jacksonville	CP&L, SEPA
Lumbee River	Red Springs	CP&L, SEPA
Pee Dee	Wadesboro	CP&L, Duke, SEPA
Piedmont	Hillsborough	CP&L, Duke, SEPA
Pitt & Greene	Farmville	CP&L, SEPA
Randolph	Asheboro	CP&L, SEPA
Roanoke	Rich Square	CP&L, SEPA
Rutherford	Forest City	Duke, SEPA
South River	Dunn	CP&L, SEPA
Surry-Yadkin	Dobson	Duke
Tideland	Pantego	CP&L, Vepco, SEPA
Tri-County	Goldsboro	CP&L, SEPA
Union	Monroe	Duke, SEPA
Wake	Wake Forest	CP&L, Duke, SEPA

*Southeastern Power Administration

THE ELECTRIC POWER INDUSTRY

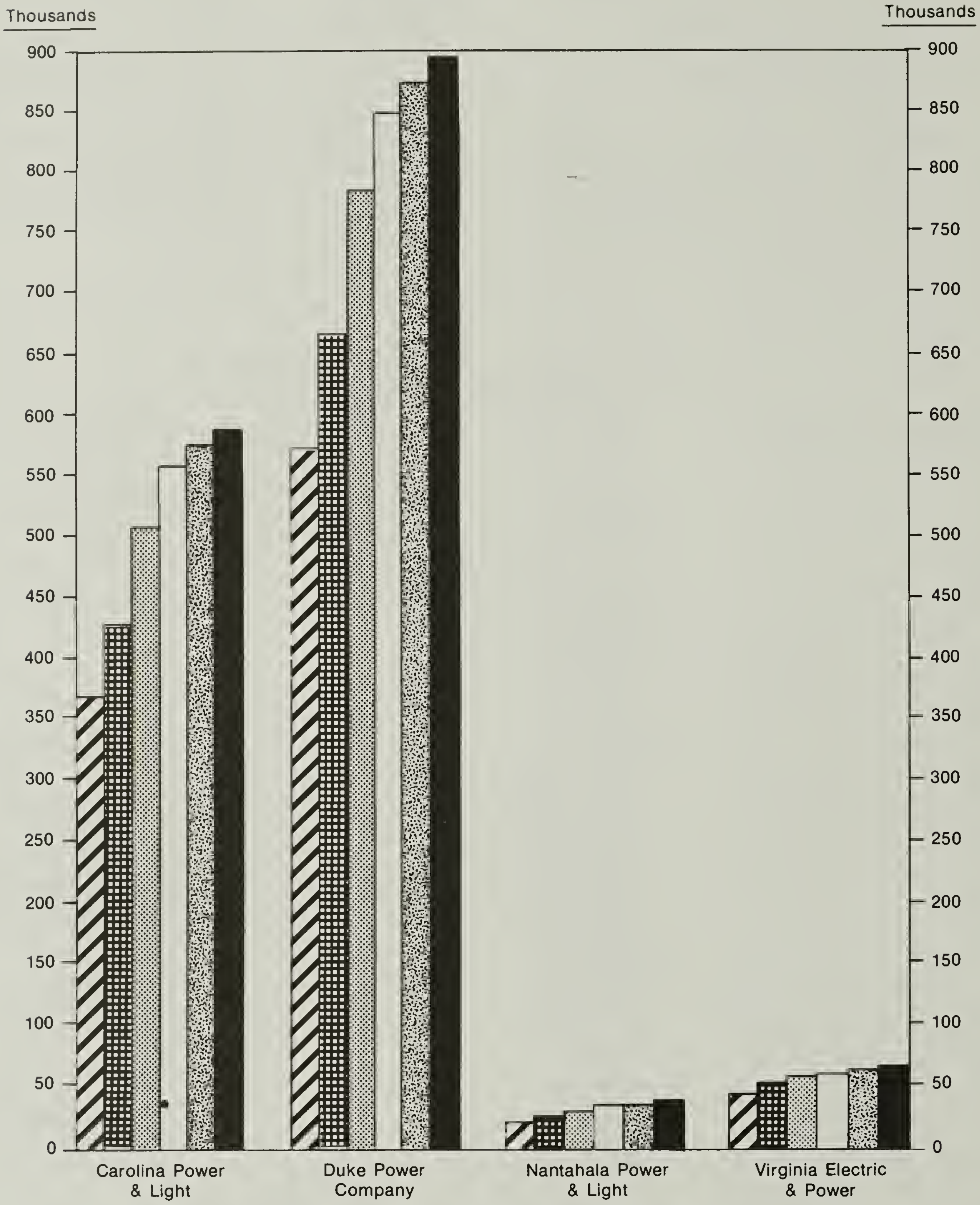
A. GENERAL COMMENTS

At December 31, 1978, there were four (4) major electric utilities (i.e., companies with $2,500,000 or more annual gross operating revenues) and six (6) small electric companies in North Carolina under the regulation of the North Carolina Utilities Commission. The four (4) major, or Class A companies, provided service either directly to retail consumers or as direct or indirect suppliers of electric energy on a wholesale basis to twenty-eight (28) electric membership corporations (EMC's), four (4) smaller privately-owned distributing companies, two (2) publicly-owned distributing companies, and seventy-one (71) municipalities operating electric distribution systems throughout the State. The retail rates and service in North Carolina of the four (4) Class A companies, the five (5) smaller privately-owned companies and the two (2) publicly-owned companies are under Commission jurisdiction. The service of the EMC's and the rates and service of the municipals are not under the Commission's jurisdiction. There

FIGURE NO. 20

ELECTRIC COMPANIES—CUSTOMER GROWTH

(North Carolina Data Only)
For the Years 1963, 1968, 1973, 1976, 1977, 1978



Customer Growth—Class A Companies Combined
(Totals in Thousands—Yearly Average)

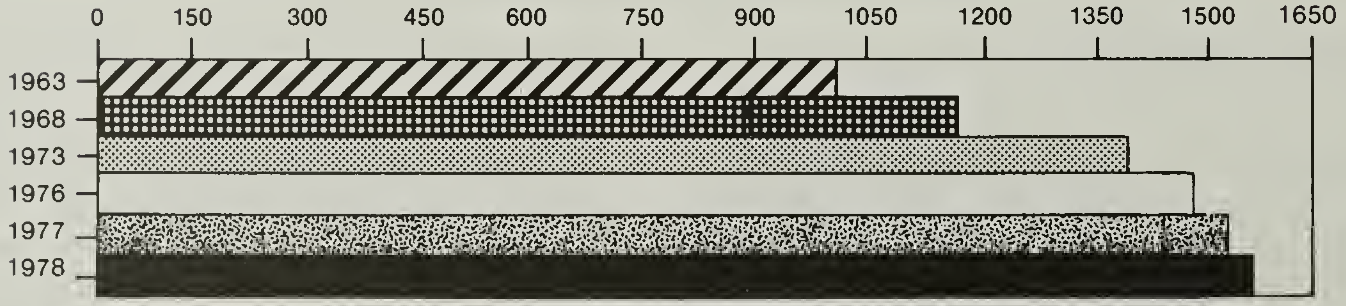
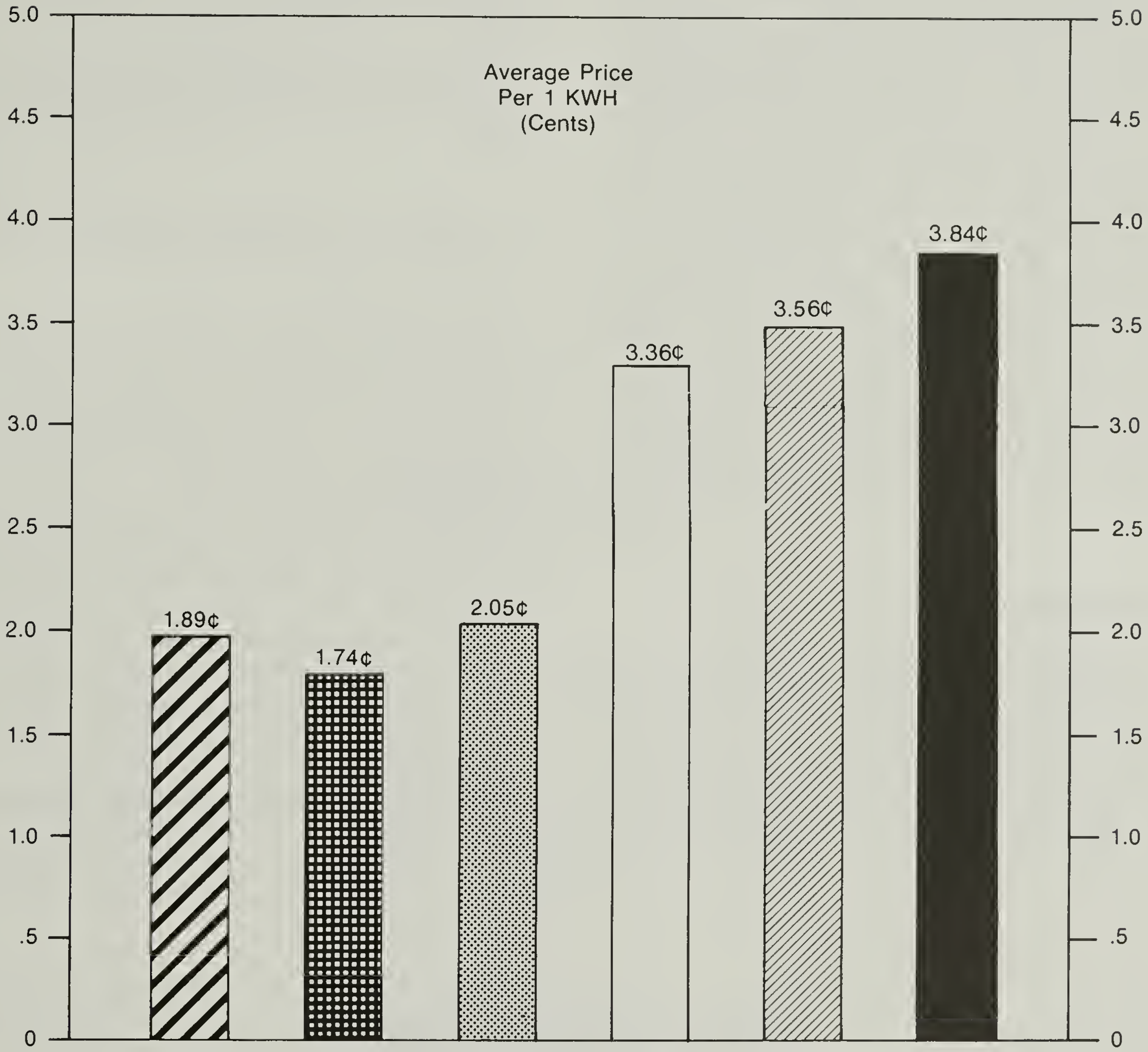


FIGURE NO. 21

RESIDENTIAL ELECTRIC SERVICE—CLASS A COMPANIES

Average Annual Usage Per Customer and Average Price of 1 KWH
(North Carolina Data Only)
1963, 1968, 1973, 1976, 1977, 1978



	1963	1968	1973	1976	1977	1978
Average KWH Usage Per Customer	6,088	8,266	10,993	11,303	11,971	12,110

Average Price of KWH in Cents by Company

	1973	1976	1977	1978
CP&L	1.98¢	3.42¢	3.76¢	4.10¢
Duke	2.09¢	3.31¢	3.42¢	3.64¢
Nantahala	1.84¢	2.36¢	2.57¢	3.27¢
Vepco	2.29¢	4.01¢	4.21¢	4.77¢

are five (5) EMC's whose headquarters are in other states, but who serve small portions of North Carolina.

The four major electric utilities are investor-owned companies, three of which have large service areas in adjacent states. Duke Power Company serves the West-Central portion of North Carolina and an adjoining area in South Carolina. Sixty-nine percent (69%) of Duke's sales are to North Carolina customers. Carolina Power and Light Company serves areas in the East-Central, South-Central, and Western parts of North Carolina as well as an adjacent area in the Eastern part of South Carolina. Eighty-five percent (85%) of CP&L's sales are to North Carolina customers. Virginia Electric and Power Company serves the North-Eastern corner of North

Carolina and most of Virginia. Only nine percent (9%) of Vepco's sales are to North Carolina customers. Nantahala Power and Light Company, serving the far western portion of North Carolina, is the only Class A company operating solely within North Carolina. Although it qualifies as a Class A utility, due to annual operating revenue of over $5 million, its service area and number of customers are small as compared to the other three (3) Class A companies. Aluminum Company of America (ALCOA) owns all of the capital stock of Nantahala Power and Light Company. Portions of Nantahala's electric generation were formerly utilized by ALCOA for the smeltering of aluminum. However, Nantahala's North Carolina public utility customers now utilize all of its hydroelectric energy generating potential and require Nantahala to purchase additional energy to meet its growing demand. The geographical location and the current makeup of its customers place Nantahala in a different position from the other major power companies in the State, especially in the areas of providing generating capacity and meeting the competition of other sources of energy for residential heating and commercial and industrial use.

B. CUSTOMER GROWTH - COMMENTS

The four (4) major electric utilities, for their North Carolina operations, experienced a customer growth rate in 1977 of 3.3% over 1976, and a growth rate in 1978 of 2.4% over 1977. The net customer increase was 49,535 for 1977 over 1976, and 37,820 for 1978 over 1977, bringing the total average number of customers to 1,584,666 at December 31, 1978. See Figure No. 20.

The minor electric companies' customer growth reflected a sharp decrease over the two year period 1977-1978, due to the sale of three companies (See Figure No. 19, footnotes 2, 3, and 4). Total customers decreased from 12,763 in 1976 to 7,588 in 1978 due to these sales, but the remaining six (6) companies reflected a 4.9% increase from 7,237 in 1976 to 7,588 in 1978.

An average of 1,592,254 North Carolina customers were served by all the regulated electric utilities in 1978.

C. ANNUAL CUSTOMER USAGE, INCLUDING TOTAL ELECTRIC HOMES

The annual usage of KWH per residential customer increased from 11,303 KWH in 1976 to 11,971 in 1977 (5.9%), and to 12,110 KWH in 1978 (1.2%). See Figure No. 21. The 1978 figure is 40.6% higher than the national average of 8,616 KWH per residential customer for the same year.

A study of residential electric customers for North Carolina cities with a population of 50,000 or more for the period 1960-1978 reveals that these North Carolina customers used a far greater number of kilowatt hours annually per customer than customers in cities of similar size throughout the United States. North Carolina's per customer residential consumption exceeds the national average for the same period.

Following is a table reflecting the results of this usage study:

AVERAGE ANNUAL RESIDENTIAL CUSTOMER KWH USAGE
1960, 1965, 1970, 1975-1978
(Class A&B Privately-Owned Utilities Only)

	1960	1965	1970	1975	1976	1977	1978
N.C. - Statewide	5,204	6,697	9,695	11,002	11,303	11,971	12,110
N.C. - Charlotte & Raleigh(a)	6,039	7,272	11,037	11,771	11,913	12,786	13,213
S.C. - Columbia & Charleston(b)	5,271	6,121	9,613	9,683	9,768	10,495	10,907
U.S. Average	3,464	4,618	6,700	7,829	7,840	8,276	8,616
Higher than:							
S.C. (Columbia & Charleston)	14.6%	18.8%	14.8%	21.6%	22.0%	21.8%	20.6%
U.S. Average	74.3%	57.5%	64.7%	50.4%	52.0%	54.5%	53.4%

(a) Charlotte — Served by Duke Power; Raleigh — Served by CP&L
(Average of the two used)
(b) Columbia & Charleston — Served by S.C. Electric & Gas Co.
(Average of the two used)

The average monthly use of electricity (998 KWH in 1977, and 1,009 KWH in 1978) by North Carolina residential customers of Class A companies, who constitute about 85.7% of the total or regular electric utility customers in the State, is one of the highest in the nation. It is generally recognized that there is a direct correlation between the greater residential usage in North Carolina, compared to national usage, and the average charge per kilowatt hour in North Carolina. This average charge, at 3.84, is 11.2% less than the national average of 4.27* cents per residential kilowatt hour of usage. If Vepco is excluded, the average becomes 3.81% and is 12.1% less than the national average.

D. RATE INCREASES APPROVED

The average charge per kilowatt hour for North Carolina residential service increased 6.0% in 1977 over 1976, and 7.9% in 1978 over 1977. Figure No. 21 shows the average price of one (1) KWH for the years 1963, 1968, 1973, 1976-1978. The 1978 figure of 3.84 cents per KWH vs. 3.36 cents in 1976 reflects the general rate increases and adjustments for increases in fuel costs that received final approval by the Commission in 1977 and 1978 on an interim basis as indicated below:

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*FPC — "Statistics of Privately-owned Electric Utilities in the United States" — 1978.

RATE INCREASES APPROVED

Electric Companies
For the Years 1977 & 1978

Company	Date Filed	Docket Number	Amount Requested ($000's)	Interim ($000's)	Amount Approved Final ($000's)	Date of Final Order
1977						
Carolina Power & Light Co.	12/01/76	E-2, Sub 297	$69,239	—	$44,253	6/29/77
Nantahala Power & Light Co.	11/03/76	E-13, Sub 29	1,831	—	1,599	6/14/77
Virginia Electric & Power Co.	12/30/76	E-22, Sub 203	6,581	—	3,709	6/30/77
Western Carolina University	8/20/76	E-35, Sub 6	60[1]	$60	54	4/13/77
1978						
Domestic Electric Service	12/30/77	E-30, Sub 25	$ 43[2]	$43	$ 43	1/24/78
Duke Power Company	1/30/78	E-7, Sub 237	70,462	—	40,327	8/31/78
Laurel Hill Electric Co., Inc.	11/17/76	E-10, Sub 10	13[3]	13	13	3/07/78
	9/28/77	E-10, Sub 11	37[3]	—	37	3/07/78
New River Power & Light Co.	9/07/78	E-34, Sub 11	228[4]	—	228	7/28/78
Pinehurst, Inc.	11/01/77	E-16, Sub 11	94[5]	94	94	2/21/78
Virginia Electric & Power Co.	1/06/78	E-22, Sub 224	13,224	—	10,805	8/31/78
Western Carolina University	1/13/78	E-35, Sub 9	39	—	20	6/07/78

[1] Purchased power pass-on from supplier — Nantahala. Interim granted 9/7/76. The difference between interim increase and final increase was not required to be refunded to customers.

[2] Purchased power pass-on from supplier — CP&L.

[3] Adoption of suppliers rates — CP&L.

[4] Purchased power pass-on from supplier — Blue Ridge E.M.C.

[5] Adoption of supplier rates — CP&L.

E. ELECTRIC BILLS: COMPARISONS OF RESIDENTIAL STATE MONTHLY AVERAGES

Comparing average monthly bills as of January 1, 1978, in North Carolina to the nine selected States of Alabama, California, Florida, Indiana, Maine, Michigan, Ohio, South Carolina, and Virginia, the State is 7th lowest at the 250 KWH consumption level, 5th lowest at the 500 KWH consumption level, and 5th lowest at the 750 KWH consumption level.

North Carolina vs. U.S. average shows that North Carolina average monthly bills for the year 1978 continued to be lower, and for the fourth year the spread continued to be smaller than in 1974. Data shown on Figure No. 22 indicates that states in all regions of the United States have experienced increasing electric bills.

The North Carolina electric utilities have company-wide rates for the respective residential, commercial, and industrial classes of customers. For example, the residential customers' bills will not vary between the small communities and the large where the volume of usage and load characteristics are the same and they are served by the same company.

F. GENERATING CAPACITY — TOTAL AND WITHIN NORTH CAROLINA

Total owned and purchased generating capacity of the Class A electric companies serving in North Carolina for 1978 was 31,362,297 KW.

Generating capacity located within the boundaries of North Carolina accounted for 51.3% of total kilowatt capacity owned and purchased during 1978. See Figure No. 23. Electric utilities are planning for an increasing larger percentage of their total generating capacity to come from nuclear power. The first nuclear fueled electric generating station in North Carolina, Carolina Power & Light Company's Brunswick Nuclear Plant, began commercial operation in 1975. Several additional large units are in various stages of planning or construction. Duke Power plans additional nuclear units scheduled for operation in the 1980's. Carolina Power & Light plans three additional coal units and four additional nuclear units scheduled for service in the 1980's. During 1978, nuclear generation accounted for the following percentages of total KWH's generated for each of the companies regulated by the Commission: CP&L — 46.8%, Duke — 29.4%, and Vepco — 35.5%.

G. SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR

Both the source and disposition of the 1977 and 1978 electric operating revenue dollar are shown by the pie charts on Figures No. 24 and 25.

Fuel costs, the largest component of the operation and maintenance expenses, consumed the larger portion of the operating revenue dollar, requiring 37 cents in 1977 and 36 cents in 1978, while the remaining operation and maintenance costs required 18 cents in both 1977 and 1978.

Shown below is comparative data reflecting the components percentagewise for both source and disposition of the electric operating revenue dollar for the years 1977 and 1978:

SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR

Item:	1977	1978
Source:		
Residential	33.7%	33.7%
Commercial	19.6	19.7
Industrial	26.2	26.1
Sales for Resale	17.6	17.6
Other	2.9	2.9
Total	100.0%	100.0%
Disposition:		
Fuel Costs	37.3%	35.8%
Other Operation & Maint. Costs	17.5	18.2
Depreciation	9.0	8.8
General Taxes	8.5	8.5
Income Taxes	9.8	11.1
Interest	7.9	7.4
Preferred Dividends	2.1	2.0
*Earnings for Common Shareholders	7.9	8.2
Total	100.0%	100.0%

*Earnings for common shareholders as a percent of the operating revenue dollar do not produce the same ratio as the rate of return on common stockholders equity capital since the bases used for the calculations are different.

FIGURE NO. 22

COMPARATIVE TYPICAL RESIDENTIAL ELECTRIC BILLS— NINE SELECTED STATES, NORTH CAROLINA, AND U.S. AVERAGE

STATE AVERAGE MONTHLY BILLS—RESIDENTIAL SERVICE

(Cities of 2,500 Population and Over) Data as of January 1 of each year listed

	250 KWH Assumed Consumption							500 KWH Assumed Consumption					750 KWH Assumed Consumption				
State	**1955**	**1960**	**1965**	**1970**	**1975**	**1977**	**1978**	**1963**	**1968**	**1973**	**1977**	**1978**	**1963**	**1968**	**1973**	**1977**	**1978**
North Carolina	$6.78	$6.76	$6.66	$6.56	$10.13	$11.70	$13.02	$ 9.63	$ 9.42	$11.76	$19.05	$21.26	$13.10	$12.79	$15.99	$26.66	$30.09
Alabama	5.52	5.42	5.32	6.10	10.13	10.13	10.80	8.34	8.35	11.39	$17.58	18.68	11.01	11.02	14.92	24.89	26.60
California	6.04	6.85	6.62	6.91	10.63	10.97	11.50	9.74	9.32	12.39	19.09	22.00	12.86	12.33	16.39	26.85	32.39
Florida	8.07	8.03	7.67	7.27	10.88	12.21	12.32	12.09	11.42	12.41	21.28	21.41	16.21	15.43	16.94	30.30	30.45
Indiana	7.03	7.23	7.55	7.52	9.41	11.59	12.96	10.27	10.31	11.76	18.34	20.68	14.31	13.98	15.97	25.10	28.41
Maine	8.35	8.82	8.94	8.59	11.97	12.21	12.58	12.31	11.84	13.26	19.18	20.21	17.47	15.96	17.93	26.11	27.34
Michigan	7.32	7.44	7.42	7.48	10.06	12.26	12.10	9.97	7.59	10.41	18.49	18.56	14.52	12.24	15.59	28.47	28.46
Ohio	6.86	7.12	7.22	7.19	10.99	12.48	13.39	10.65	10.40	11.67	21.04	22.61	14.99	14.25	16.03	29.84	32.06
South Carolina	6.76	6.77	6.73	6.72	11.82	12.56	13.08	10.09	10.02	12.42	20.43	21.89	13.47	13.33	16.39	28.43	30.92
Virginia	7.66	7.65	7.34	7.29	13.24	14.56	15.06	10.15	10.11	13.21	23.40	24.36	13.83	13.57	17.14	31.53	33.07
United States	7.18	7.44	7.38	7.51	11.49	12.85	13.47	10.64	10.37	12.56	20.86	22.19	14.65	14.16	16.96	29.22	31.23
North Carolina Rank— (Low to High—9 states listed)	4th Lowest	2nd Lowest	3rd Lowest	2nd Lowest	3rd Lowest	4th Lowest	7th Lowest	2nd Lowest	3rd Lowest	4th Lowest	4th Lowest	5th Lowest	3rd Lowest	4th Lowest	4th Lowest	4th Lowest	5th Lowest
North Carolina Rank— (Low to High—50 states & D.C.—except 1955—48 States)	16th Lowest	10th Lowest	10th Lowest	11th Lowest	24th Lowest	23rd Lowest	30th Lowest	13th Lowest	15th Lowest	24th Lowest	25th Lowest	30th Lowest	11th Lowest	13th Lowest	23rd Lowest	28th Lowest	31st Lowest
N.C. Average lower than U.S. Average—Percent	5.4%	9.1%	9.8%	12.7%	11.8%	8.2%	3.3%	8.5%	9.2%	6.4%	8.7%	4.2%	10.6%	9.7%	5.7%	8.8%	3.7%

Source: "Typical Electric Bills" for applicable years — U.S. Dept. of Energy

Fuel costs as a percent of total operation and maintenance expenses (excludes depreciation and taxes) has been declining since 1974 primarily because of the decrease in coal costs and the increasing use of nuclear fuel which is cheaper than the fossil fuels. The chart below shows this relationship for the five year period 1974-1978.

	1974	1975	1976	1977	1978
Fuel Costs	$458,313	$491,986	$514,603	$625,844	$ 670,738
Other Oper. & Maint. Expenses	155,318	196,713	214,548	293,237	340,448
Total Oper. & Maint. Expenses	$613,631	$688,699	$729,151	$919,081	$1,011,186
% of Fuel Costs to Total Oper. & Maint. Expenses	74.7%	71.4%	70.6%	68.1%	66.3%

H. ENERGY SALES

Class A companies total energy sales in North Carolina increased in 1978 over 1977 by 2.1%, with over 61 billion kilowatt hours sold in 1978. Figure No. 26 (bar graph) shows energy sales by class of customers for the years 1960, 1965, 1970, 1975, and 1977-1978.

The following table shows the percent of industry sales by class of customers for the years 1960, 1965, 1970, 1975, 1977, and 1978:

ENERGY SALES BY CLASS OF CUSTOMERS
Millions of KWH's Sold and Percent of Totals
1960, 1965, 1970, 1975, 1977-1978

Class of Customers	1960	%	1965	%	1970	%	1975	%	1977	%	1978	%
Residential	4,249	28.1	6,177	26.1	10,382	25.3	13,789	26.3	15,864	26.4	16,437	26.7
Industrial	5,868	38.8	8,909	37.6	14,054	34.2	16,765	31.9	18,942	31.5	19,150	31.1
Commercial	2,050	13.6	3,658	15.5	6,575	16.0	9,232	17.6	10,498	17.4	10,907	17.7
Other (Includes Sales for Resale)	2,960	19.5	4,933	20.8	10,102	24.5	12,690	24.2	14,891	24.7	14,984	24.5
Total	15,127	100.0	23,677	100.0	41,113	100.0	52,476	100.0	60,195	100.0	61,478	100.0
% Increase over Preceding Period			56.5%		73.7%		27.6%		14.7%		2.1%	

I. STATISTICAL SUMMARY DATA

As can be seen from Figure No. 27, the total operating revenues for North Carolina operations of the Class A electric utilities increased 11.8% for 1978 over 1977. Due to the sale of three (3) of the nine (9) Class B, C and D companies during 1977 and 1978 (See footnotes 2, 3, and 4 on Figure No. 19) to systems not under Commission jurisdiction, total operating revenues showed a decrease of 9.1%.

North Carolina operating expenses for the Class A companies increased at a rate of 12.1% for 1978 over 1977, and the net operating revenue for 1978 increased 10.4% from 1977. At the same time, total operating expenses for the minor electric companies decreased by 10.9%, but the net operating revenue increased by 1.2%.

Net income available for the common shareholders of the Class A companies was $451,611,227 for 1978 vs. $390,592,820 for 1977. The number of common shares outstanding at year end increased from 180,884,393 in 1977 to 197,865,808 in 1978, or 9.4%. This resulted in an increase in earnings per share (year-end shares outstanding) from $2.16 in 1977 to $2.28 in 1978.

Total salaries and wages paid North Carolina employees by the Class A companies for 1978 was $263,221,687, an increase of 17.1% over 1977. In 1978, the number of employees residing in North Carolina was 16,800 compared with 15,676 in 1977, for an increase of 7.2%.

FIGURE NO. 23

ELECTRIC GENERATING CAPACITY OWNED AND PURCHASED WITH GENERATING CAPACITY LOCATED IN NORTH CAROLINA SHOWN
(Unit of Measurement—Kilowatt—000's)
FOR THE PERIOD 1960, 1965, 1970, 1975, 1977, 1978

Generating Capacity Owned—Maximum Name Plate Rating Used

Class A Companies	Steam						Gas Turbine				Hydroelectric					
	1960	1965	1970	1975	1977	1978	1970	1975	1977	1978	1960	1965	1970	1975	1977	1978
Carolina Power & Light Co.	1,048	1,627	2,695	5,729	6,596	6,596	308	1,295	1,295	1,295	227	220	220	220	220	220
Duke Power Company	2,829	3,454	5,366	10,675	10,560	10,560	229	388	381	386	498	768	868	1,008	1,007	1,007
Nantahala Power & Light Co.	—0—	—0—	—0—	—0—	—0—	—0—	Na	Na	Na	Na	99	94	99	99	99	99
Virginia Electric & Power Co.	2,045	3,363	4,628	8,376	8,376	9,356	350	563	531	531	136	306	278	288	288	286
Totals	5,922	8,444	12,689	24,780	25,532	26,512	887	2,246	2,207	2,212	960	1,388	1,465	1,615	1,614	1,612
% Increase (Decrease)		42.6%	50.3%	95.3%	3.0%	3.8%		153.2%	(1.8%)	.2%		44.6%	5.5%	10.2%	—0—	—0—
Generated in N.C.	Na	4,500	7,752	12,479	13,206	13,238	391	688	681	681	Na	1,030	1,114	1,147	1,146	1,144
Percent of Total	Na	53.3%	61.1%	50.4%	51.7%	49.9%	44.0%	30.6%	30.9%	30.8%	Na	74.2%	76.1%	71.0%	71.0%	71.0%

	Generating Capacity Purchased*						Total Owned & Purchased**					
	1960	1965	1970	1975	1977	1978	1960	1965	1970	1975	1977	1978
Carolina Power & Light Co.	310	229	629	240	353	144	1,584	2,076	3,852	7,484	8,463	8,254
Duke Power Company	—0—	308	108	253	109	808	3,327	4,592	6,572	12,323	12,057	12,762
Nantahala Power & Light Co.	—0—	—0—	—0—	50	75	75	99	94	99	150	175	174
Virginia Electric & Power Co.	109	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	2,290	3,720	5,255	9,227	9,194	10,172
Totals	419	587	737	543	537	1,027	7,300	10,482	15,778	29,184	29,889	31,362
% Increase (Decrease)		40.1%	25.7%	(26.4%)	(1.1%)	91.2%		43.6%	50.5%	85.0%	2.4%	4.9%
Generated in N.C.	Na	Na	Na	Na	Na	Na	Na	5,530	9,995	14,857	15,570	16,088
Percent of Total	Na	Na	Na	Na	Na	Na	Na	52.8%	63.3%	50.9%	52.1%	51.3%

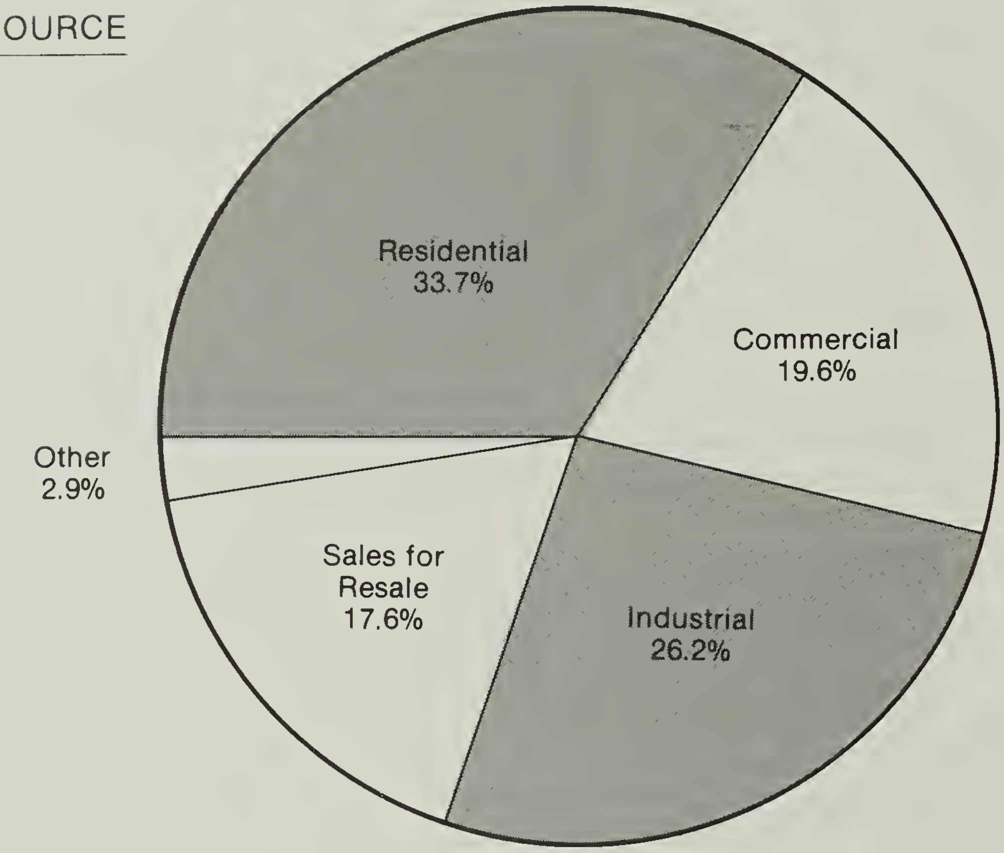
*	Based on annual maximum demand
**	1970-78 figures for Total Owned & Purchased include amounts for Gas Turbines.
Na	Not available
N. Apl.	Not applicable

FIGURE NO. 24

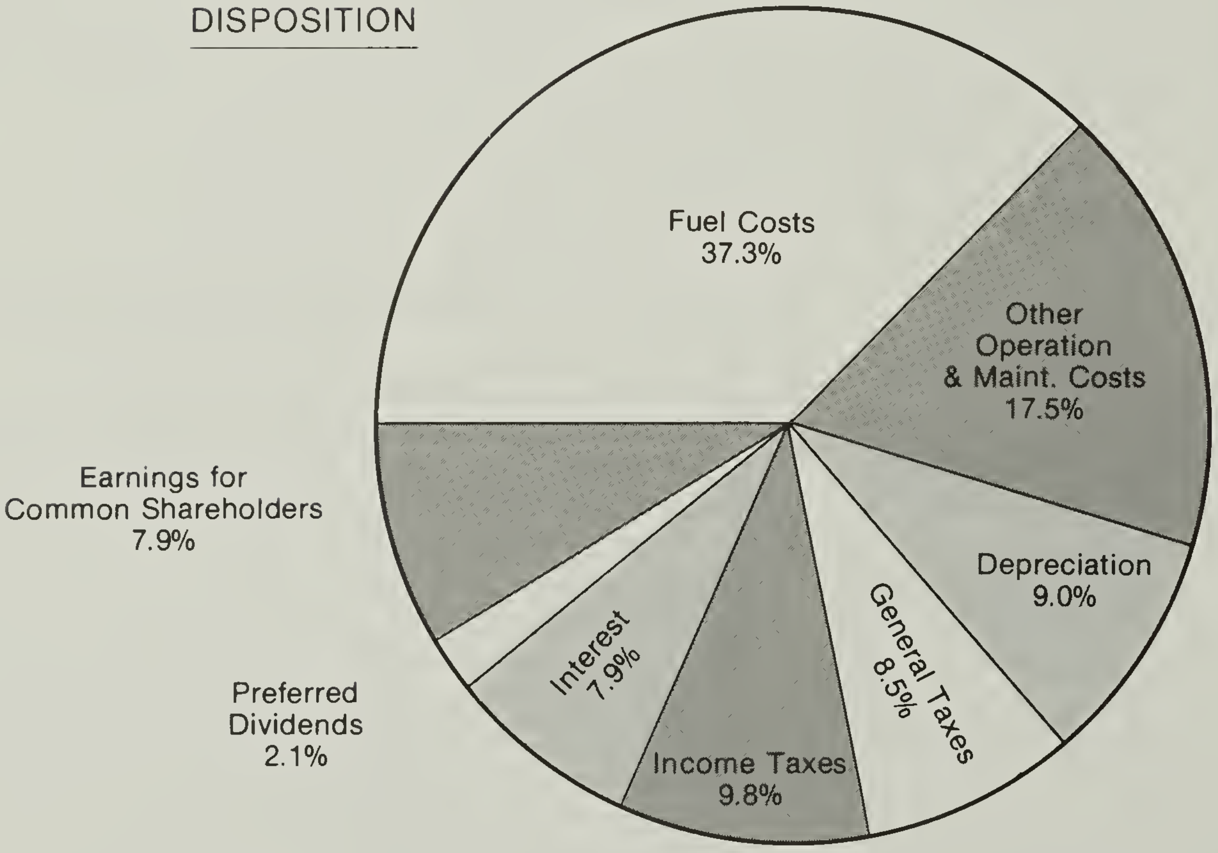
SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR ELECTRIC COMPANIES

North Carolina Class A Operations Only
(Dollars in 000's)
December 31, 1977

SOURCE



DISPOSITION



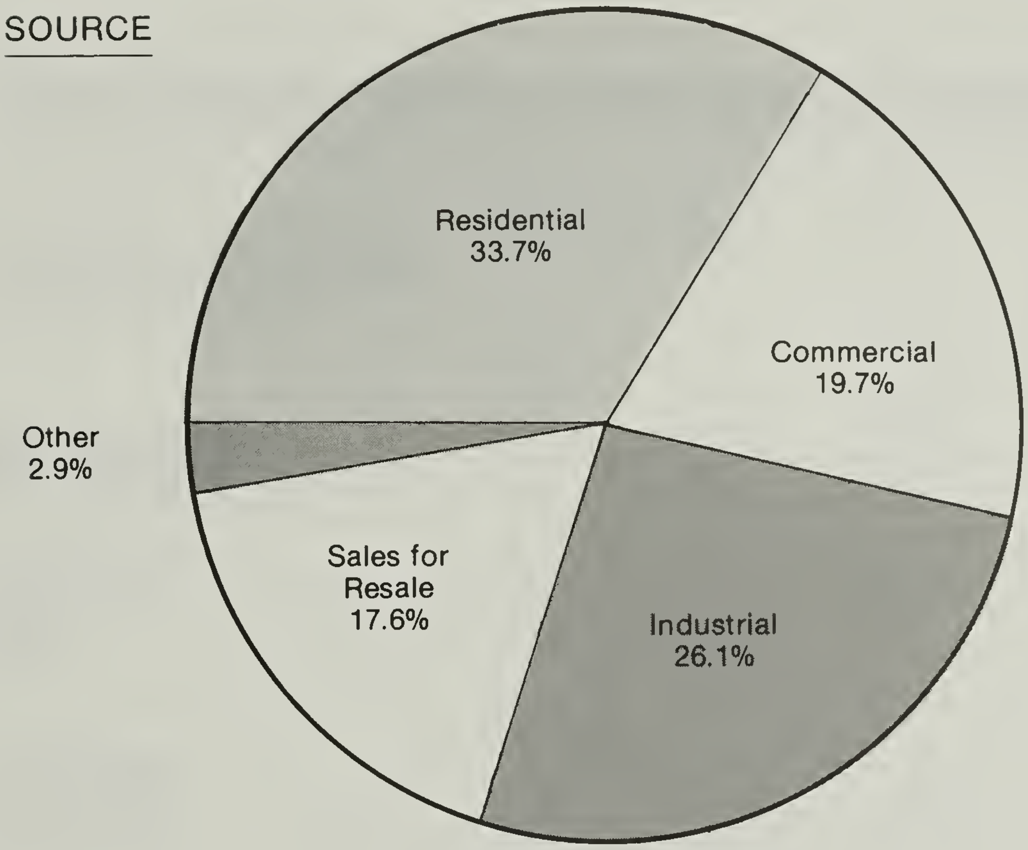
Note: Earnings for Common Shareholders are not directly related to the rate of return earned on investment.

FIGURE NO. 25

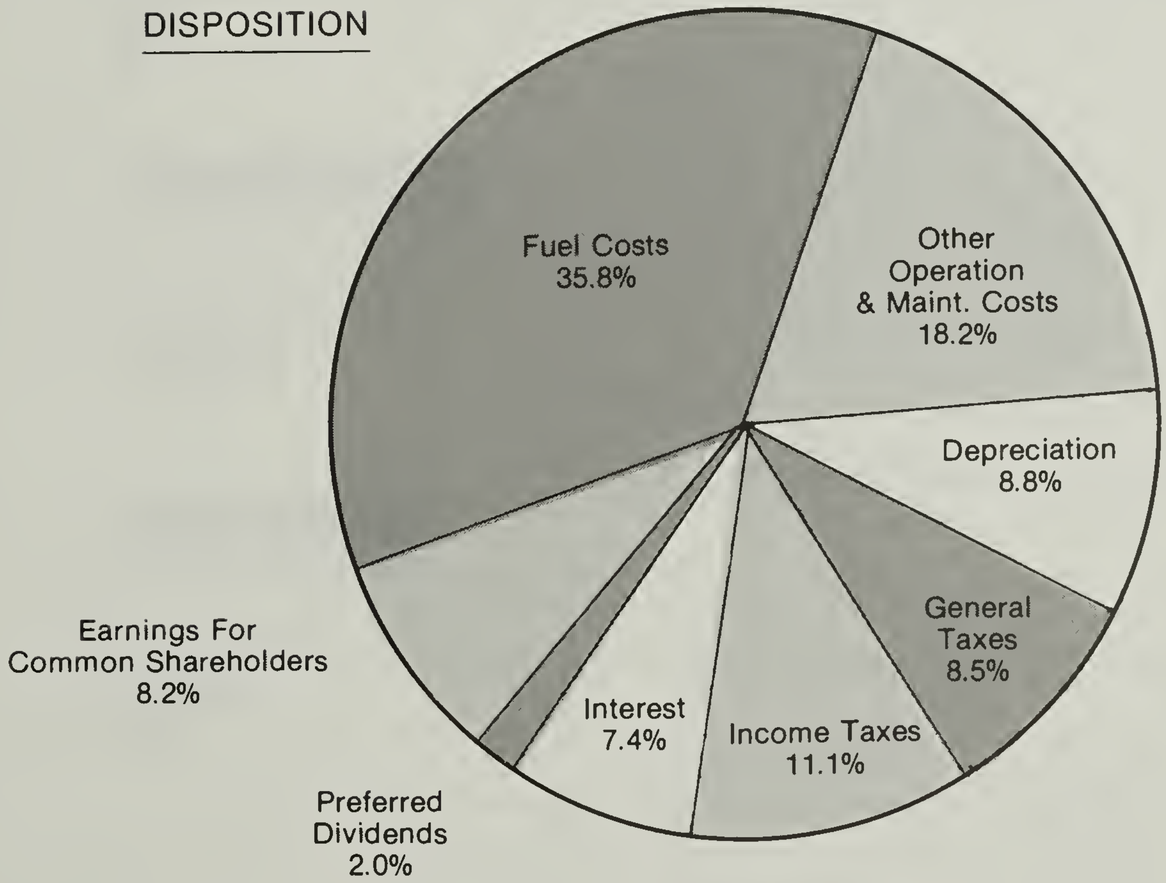
SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
ELECTRIC COMPANIES

North Carolina Class A Operations Only
(Dollars in 000's)
December 31, 1978

SOURCE



DISPOSITION



Note: Earnings for Common Shareholders are not directly related to the rate of return earned on investment.

FIGURE NO. 26

ELECTRIC COMPANIES—CLASS A

Energy Sales by Class of Customers
(North Carolina Data Only—Kilowatt Hours in Billions)
For the Years Only 1960, 1965, 1970, 1975, 1977-1978

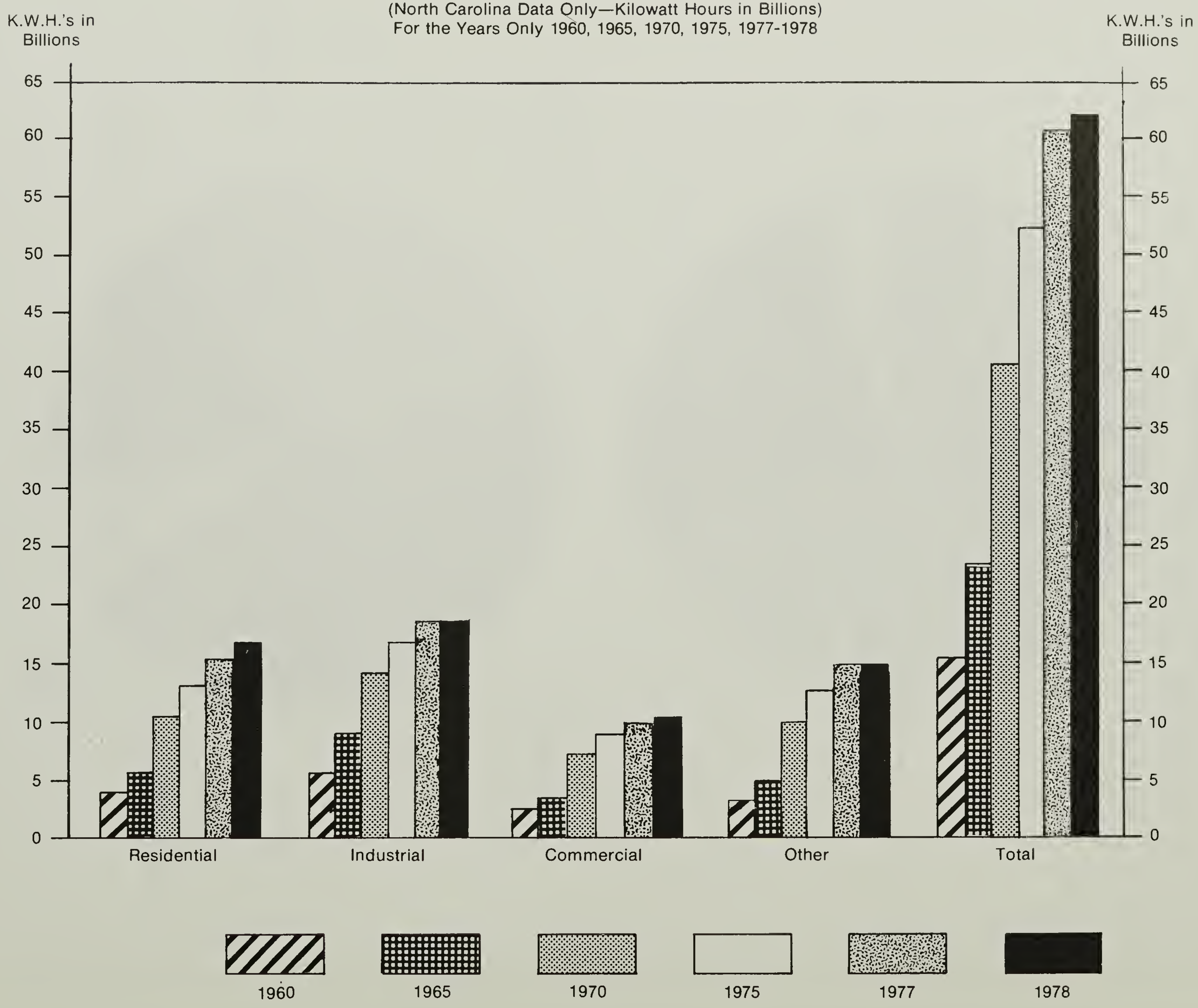


FIGURE NO. 27

ELECTRIC COMPANIES—CLASSES A, B, C, & D

Summary of Selected Data—Income, Expenses, Balance Sheet and Statistical Items
For the Calendar Years 1960, 1965, 1970, 1975, 1977-1978
(Dollars in 000's)

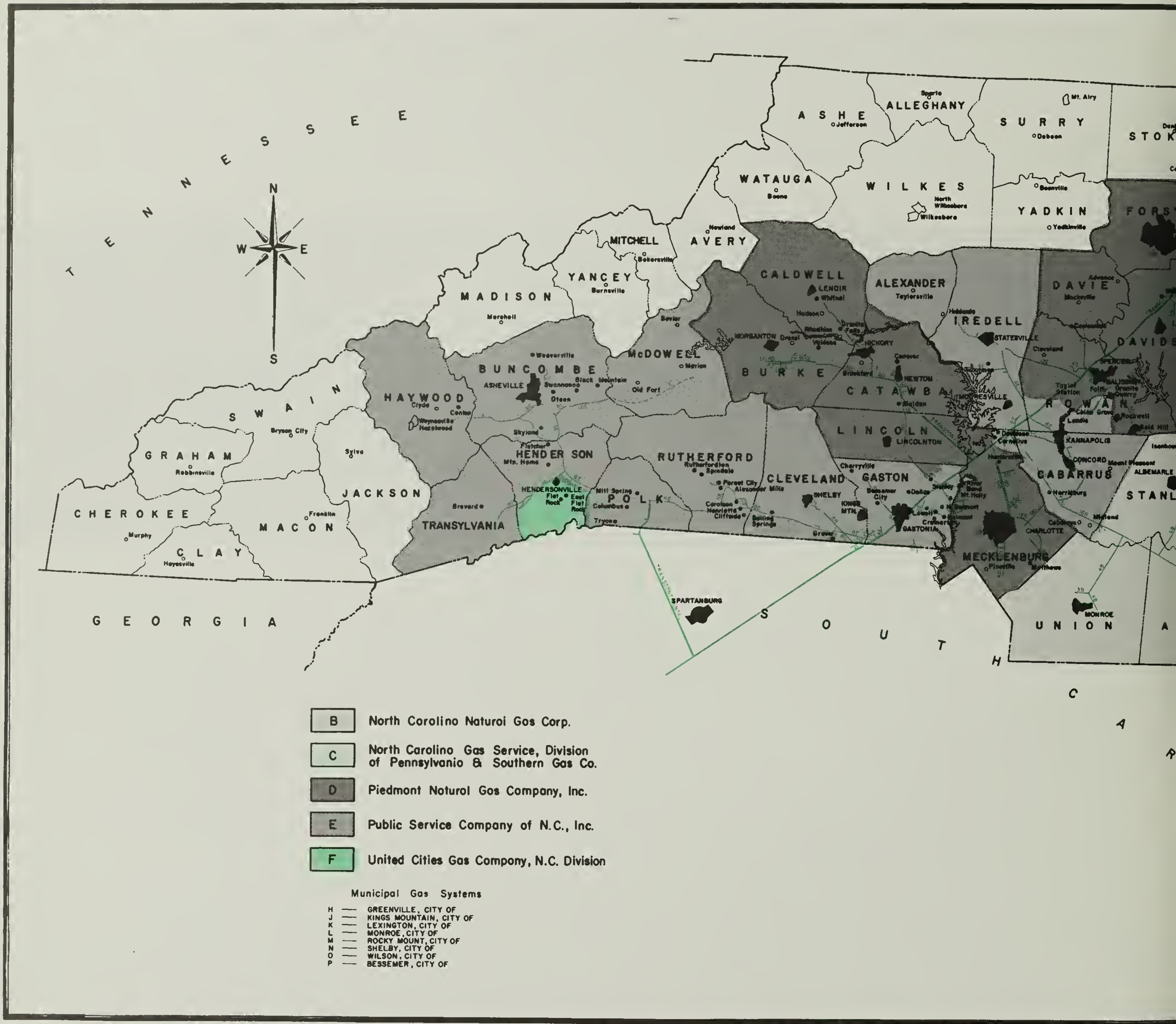
CLASS A COMPANIES
$2,500,000 or More Operating Revenues

ITEM	1960	1965	1970	1975	1977	1978	% Change More (Less) 1977-1978
No. of Companies Regulated and Included in this Data:	4	4	4	4	4	4	
Income Items (N.C. Only):							
Residential Sales	$ 83,380	$ 112,279	$ 176,631	$ 425,940	$ 564,263	$ 631,244	11.9
Commercial Sales	37,704	57,601	95,310	255,494	328,244	369,807	12.7
Industrial Sales	48,897	71,737	118,277	343,589	438,610	489,094	11.5
Sales for Resale	20,792	31,332	63,760	216,148	295,786	330,249	11.7
All Other Operating Revenue	6,867	12,409	16,379	26,465	48,853	52,992	8.5
Total Operating Revenue	$ 197,640	$ 285,358	$ 470,357	$ 1,267,636	$ 1,675,756	$ 1,873,386	11.8
Expense Items (N.C. Only).							
Operating & Maintenance	$ 82,502	$ 119,869	$ 271,149	$ 688,699	$ 919,081	$ 1,011,186	10.0
Depreciation & Amortization	22,973	32,310	54,666	118,286	150,570	165,136	9.7
Taxes:							
State Income Taxes	3,052	4,997	2,194	6,281	11,386	18,115	59.1
State Gross Receipts Taxes	11,592	16,589	26,912	75,007	98,990	111,594	12.7
Local Property Taxes	5,741	8,495	13,460	24,629	30,506	33,314	9.2
All Other Taxes	28,148	38,731	17,442	114,083	164,842	202,516	22.9
Total Taxes	$ 48,533	$ 68,812	$ 60,008	$ 220,000	$ 305,724	$ 365,539	19.6
Total Operating Expenses	$ 156,810	$ 220,991	$ 385,823	$ 1,026,985	$ 1,375,375	$ 1,541,861	12.1
Net Operating Revenue	$ 40,830	$ 64,367	$ 84,534	$ 240,651	$ 300,381	$ 331,525	10.4
Income Items (Systemwide):							
Operating Revenue	$ 397,459	$ 571,082	$ 949,248	$ 2,568,719	$ 3,401,251	$ 3,729,341	9.6
Operating Expense	309,888	432,958	751,909	2,032,596	2,751,445	3,017,906	9.7
Net Operating Revenue	$ 87,571	$ 138,124	$ 197,339	$ 536,123	$ 649,806	$ 711,435	9.5
Net Income (From all Sources)	$ 70,066	$ 100,753	$ 148,191	$ 385,487	$ 503,774	$ 578,437	14.8
Shares of Common Stock Outstanding—Year End (000's)	55,246	57,732	76,521	153,728	180,884	197,866	9.4
Average Earnings Per Share—Shares at Year End (After Preferred Stock Dividend)	$ 1.17	$ 1.67	$ 1.62	$ 1.88	$ 2.16	$ 2.28	5.6
Balance Sheet Items (N.C. Only):							
Utility Plant (Electric Portion Only)	$ 912,184	$1,325,690	$ 2,488,154	$ 5,272,237	$ 6,200,649	$ 6,801,764	9.7
Depreciation Reserve	231,140	352,626	531,566	879,269	1,143,050	1,288,373	12.7
Net Utility Plant (Original Cost)	$ 681,044	$ 973,064	$ 1,956,588	$ 4,392,968	$ 5,057,599	$ 5,513,391	9.0
Balance Sheet Items (Systemwide):							
Long-Term Debt	$ 737,334	$1,023,461	$ 2,168,664	$ 4,814,049	$ 5,461,216	$ 5,809,051	6.4
Total Capitalization	$1,476,166	$2,005,861	$ 3,941,246	$ 9,094,143	$10,673,762	$11,599,322	8.7
Long-Term Debt—% of Total Capitalization	49.9	51.0	55.0	52.9	51.2	50.1	(2.1)
Statistics (N.C. Unless Otherwise Noted).							
Total Customers—Yearly Average	938,705	1,065,650	1,243,389	1,454,445	1,546,846	1,584,666	2.4
Average No. KW's Used per Residential Customer	5,204	6,697	9,695	11,002	11,971	12,110	1.2
Average Revenue per KWH—Residential Customer	1.96¢	1.82¢	1.70¢	3.09¢	3.56¢	3.84¢	7.9
No. of Employees Residing in N.C.	7,454	7,875	9,414	14,022	15,676	16,800	7.2
Wages & Salaries Paid N.C. Employees	$ 39,146	$ 49,359	$ 80,612	$ 177,550	$ 224,843	$ 263,222	17.1
System Sales to Ultimate Consumer (KWH's in 000's)			32,023,596	40,916,099	46,532,357	47,722,386	2.6
System Sales for Resale (KWH's in 000's)			9,089,804	11,559,681	13,662,196	13,755,784	.7
Total Sales to Ultimate Customers and for Resale (KWH's in 000's)			41,113,400	52,475,780	60,194,553	61,478,170	2.1

CLASS B, C & D COMPANIES
(Companies with Operating Revenues Under $2,500,000)

ITEM	1960	1965	1970	1975	1977	1978	% Change More (Less) 1977-1978
No. of Companies Included in this Data	11	9	8	8	7	5	
Income Items (N.C. Only):							
Total Operating Revenue	$ 905	$ 1,197	$ 2,208	$ 5,791	$ 6,185	$ 5,621	(9.1)
Expense Items (N.C. Only):							
Total Operating Expenses	$ 760	$ 1,014	$ 1,808	$ 4,579	$ 5,255	$ 4,680	(10.9)
Net Operating Revenue	$ 145	$ 183	$ 400	$ 1,212	$ 930	$ 941	1.2
Balance Sheet Items (N.C. Only):							
Utility Plant (Electric Portion Only)	$ 1,746	$ 2,320	$ 3,342	$ 8,607	$ 7,643	$ 7,131	(6.7)
Depreciation Reserve	581	1,037	1,442	2,513	2,118	1,937	(8.5)
Net Utility Plant	$ 1,165	$ 1,283	$ 1,900	$ 6,094	$ 5,525	$ 5,194	(6.0)
Statistics (N.C. Unless Otherwise Noted):							
Total Customers—Year End	7,207	8,134	10,273	12,561	10,617	7,588	(28.5)
Average Revenue per KWH—Residential Customer	2.74¢	2.48¢	2.21¢	3.45¢	3.86¢	3.82¢	(1.0)
System Sales to Ultimate Customer (KWH's in 000's)	33,167	47,237	112,912	172,268	173,880	150,813	(13.3)

V. The Natural Gas Industry


TENNESSEE
N
W
E
S
ASHE
ALLEGHANY
SURRY
STOK
WATAUGA
WILKES
YADKIN
FORSY
AVERY
MITCHELL
YANCEY
MADISON
CALDWELL
ALEXANDER
DAVIE
IREDELL
DAVIDS
BUNCOMBE
McDOWELL
BURKE
CATAWBA
ROWAN
HAYWOOD
SWAIN
GRAHAM
LINCOLN
HENDERSON
RUTHERFORD
CLEVELAND
GASTON
CABARRUS
STANL
JACKSON
POLK
CHEROKEE
MACON
CLAY
TRANSYLVANIA
MECKLENBURG
UNION
GEORGIA
SOUTH CAROLINA
ASHEVILLE
HENDERSONVILLE
CHARLOTTE
GASTONIA
SPARTANBURG
HICKORY
STATESVILLE
KANNAPOLIS
CONCORD
MONROE
SHELBY
B North Carolina Natural Gas Corp.
C North Carolina Gas Service, Division of Pennsylvania & Southern Gas Co.
D Piedmont Natural Gas Company, Inc.
E Public Service Company of N.C., Inc.
F United Cities Gas Company, N.C. Division
Municipal Gas Systems
H — GREENVILLE, CITY OF
J — KINGS MOUNTAIN, CITY OF
K — LEXINGTON, CITY OF
L — MONROE, CITY OF
M — ROCKY MOUNT, CITY OF
N — SHELBY, CITY OF
O — WILSON, CITY OF
P — BESSEMER, CITY OF

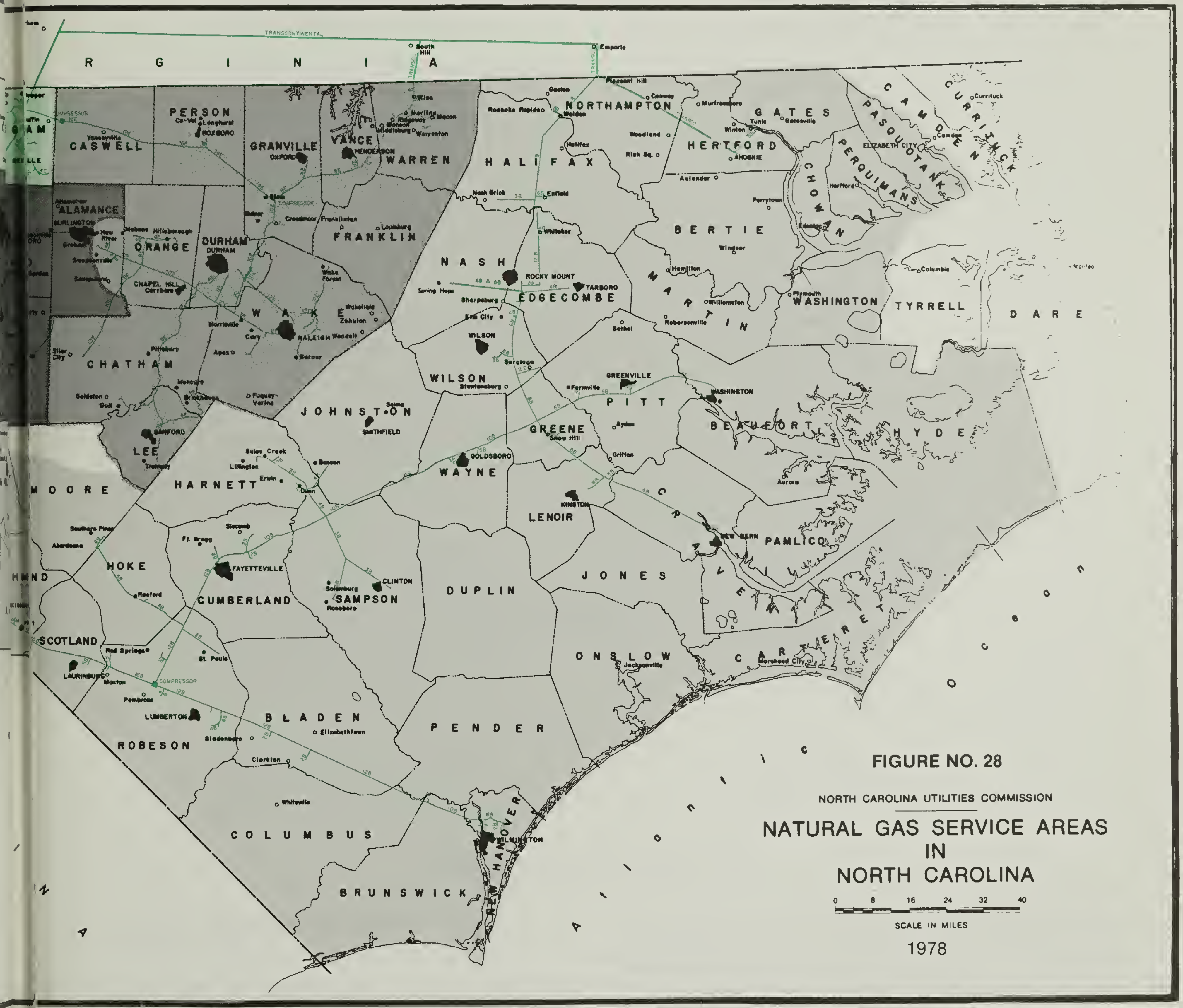


FIGURE NO. 28

NORTH CAROLINA UTILITIES COMMISSION

NATURAL GAS SERVICE AREAS
IN
NORTH CAROLINA

1978

FIGURE NO. 29

GAS COMPANIES AND MUNICIPAL GAS SYSTEMS OPERATING IN THE STATE OF NORTH CAROLINA AS OF 12-31-78

GAS COMPANIES

North Carolina Natural Gas Corp.
Frank Barragan, Jr., President
Drawer 909
Fayetteville, North Carolina

North Carolina Gas Service, Division of
Pennsylvania and Southern Gas Co.
J. E. Connolly, Vice President
P.O. Box 779
Reidsville, North Carolina

C. B. Coulter, President
Pennsylvania and Southern Gas Co.
P.O. Box 10
Sayre, Pennsylvania

Piedmont Natural Gas Company, Inc.
J. David Pickard, Sr., President
P.O. Box 1968
Charlotte, North Carolina

Public Service Company of N.C., Inc.
C. E. Zeigler, President
400 Cox Road
Gastonia, North Carolina

United Cities Gas Company
North Carolina Division
John H. Maxheim, President
C. B. Dushane, Jr., Chairman of the Board
1200 Parkway Towers
404 James Robertson Parkway
Nashville, Tennessee

Don Howard, Manager
United Cities Gas Company
Box 200
Hendersonville, North Carolina

MUNICIPAL GAS SYSTEMS

Bessemer City, City of
William E. Metalfe
City Manager
Bessemer City, N.C.

Greenville, City of
Charles O'H. Horne, Jr.
Director of Utilities
Greenville, N.C.

Kings Mountain, City of
John Henry Moss
Mayor
Kings Mountain, N.C.

Lexington, City of
Eugene T. Morris
City Manager
Lexington, N.C.

Monroe, City of
J. E. Hinkel
City Manager
Monroe, N.C.

Rocky Mount, City of
C. W. Bateman, Jr.
Director of Utilities
Rocky Mount, N.C.

Shelby, City of
C. L. Weems
Gas Superintendent
Shelby, N.C.

Wilson, City of
C. W. Whitley
Director of Utilities
Wilson, N.C.

THE NATURAL GAS INDUSTRY

A. A BRIEF HISTORY OF THE NATURAL GAS INDUSTRY

During 1977 and 1978 there were five (5) Class A & B utility companies under regulation of the North Carolina Utilities Commission. The Class A & B companies each have annual gas operating revenues of $1 million.

The North Carolina companies are primarily distribution companies, purchasing their gas for resale from Transcontinental Gas Pipeline Corporation, the only interstate gas pipeline operating within the State. Transcontinental purchases natural gas from producers in Texas and Louisiana and transports it to North Carolina, where it is resold to the distributing companies at rates prescribed by the Federal Power Commission on the basis of three (3) rate zones based on distance from the point of production. North Carolina is in zone 2, which is bound by the Georgia-South Carolina State Line on the South, and Virginia-Maryland State Line on the North. The distributing companies' supplies are based on the amount of gas which Transco has available, allocated by summer and winter periods under a curtailment plan approved by the Federal Power Commission.

The charges the gas companies pay Transco are made up of two components; a fixed demand charge is paid on the daily contracted volumes adjusted for curtailment, and a commodity charge is paid for each MCF volume received. The gas purchased by these companies is sold to customers under the State's priority system, which is an end-use plan.

The following priority plan was adopted by the Commission in its order, dated October 25, 1977 (Docket No. G-100, Sub 24), with revisions through January 1, 1979, and is administered through its Rule R6-19.2:

Priorities for curtailment of service — In the event the total volume of natural gas available to a North Carolina retail gas distribution utility is insufficient to supply the demands of all the customers of that utility, the utility shall provide gas service to individual customers in accordance with the following order of priorities:

Priority 1. Residential. Essential Human Needs with No Alternate Fuel Capability. Commercial less than 50 Mcf/day.

1.1 Residential requirements and essential human needs with no alternate fuel capability.
1.2 Commercial less than 50 Mcf/day.

Priority 2. Industrial Less than 50 Mcf/day. Process, Feedstock and Plant Protection With No Alternate Fuel Capability. Large Commercial requirements of 50 Mcf or more per day except for large commercial boiler fuel requirements above 300 Mcf/day.

2.1 Industrial less than 50 Mcf/day.
2.2 Commercial between 50 and 100 Mcf/day.
2.3 Commercial greater than 100 Mcf/day, non-boiler use.
2.4 Commercial greater than 100 Mcf/day, with no alternate fuel capability.
2.5 Industrial process, feedstock and plant protection between 50 and 300 Mcf/day, with no alternate fuel capability.
2.6 Industrial process, feedstock and plant protection between 300 and 3000 Mcf/day, with no alternate fuel capability.
2.7 Industrial process, feedstock and plant protection greater than 3000 Mcf/day, with no alternate fuel capability.
2.8 Commercial over 100 Mcf/day (excluding commercial Priorities 2.3 and 2.4 and *commercial* boiler fuel requirements over 300 Mcf per day).

Priority 3. All other industrial requirements not greater than 300 Mcf per day.

3.1 Industrial non-boiler between 50 and 300 Mcf per day.
3.2 Other industrial between 50 and 300 Mcf per day.

Priority 4. Non-boiler Use Between 300 and 3000 Mcf/day.

Priority 5. Non-boiler Use Greater Than 3000 Mcf/day.

Priority 6. Boiler Fuel Requirements of more than 300 Mcf per day but less than 1500 per day.

Priority 7. Boiler Fuel Requirements Between 1500 and 3000 Mcf/day.

Priority 8. Boiler Fuel Requirements Between 3000 and 10,000 Mcf/day.

Priority 9. Boiler Fuel Requirements Greater than 10,000 Mcf/day.

Since mid-1971 and up through mid-1979, Transco has not been able to meet full contract volumes for North Carolina customers due to ever-increasing levels of curtailments. This has resulted in a dramatic reduction in the amount of gas sold to interruptible customers.

Only three (3) of the distributing companies in North Carolina have operations in other states: North Carolina Gas Service, a division of Pennsylvania and Southern Gas Company; Piedmont Natural Gas Company, Inc., and United Cities Gas Company. Under existing Federal Law, any intrastate operation of distributing companies whose purchases and sales are all made within the State are under the jurisdiction of the State, i.e., the North Carolina Utilities Commission in North Carolina.

B. PLANT INVESTMENT AND EXPANSION

There are over 160 North Carolina cities and towns served by the natural gas utilities, which have a combined population in excess of 2,750,000. The natural gas companies continued limited expansion of services by investing almost $16 million in plant facilities in 1978, as compared to $11 million in 1977, $12 million in 1976, and $14 million in 1975. At December 31, 1978, their combined total gross investment for the State was $329,810,941. This represents an increase of 5.0% over 1977, and exceeds the 2.0% customer growth for the same period.

Due to the continued limited expansion, as a result of severe natural gas supply problems, the balance of plant investment funds for 1978 were used primarily for distribution main service line improvements and replacements occasioned by the Commission requirements for corrosion control.

GROSS PLANT INVESTMENTS — YEAR-END DATA ($000's)
1963-1978

	N.C. Natural Gas Co.	Pa. & Southern Gas Co.	Piedmont Natural Gas Co.	Public Serv. Co. of N.C.	United Cities Gas	Totals
1963 . . .	$29,325	$2,338	$ 45,175	$ 37,293	$ 672	$114,803
1964 . . .	30,237	2,505	49,756	42,591	694	125,783
1965 . . .	31,136	2,730	55,621	48,008	705	138,200
1966 . . .	32,272	3,059	59,880	54,382	763	150,356
1967 . . .	34,353	3,360	65,384	61,963	922	165,982
1968 . . .	40,463	3,655	72,417	68,359	919	185,813
1969 . . .	44,597	3,876	79,287	74,799	1,001	203,560
1970 . . .	47,676	4,064	86,347	80,825	1,386	220,298
1971 . . .	51,691	4,366	89,675	86,047	1,623	233,402
1972 . . .	54,416	4,581	99,864	90,964	1,868	251,693
1973 . . .	56,571	4,792	107,031	95,663	2,070	266,127
1974 . . .	58,162	4,858	110,179	100,982	2,275	276,456
1975 . . .	59,981	5,304	111,973	111,602	2,402	291,262
1976 . . .	62,363	5,451	113,970	118,924	2,606	303,314
1977 . . .	64,355	5,440	117,842	123,821	2,744	314,202
1978 . . .	66,859	5,595	125,140	129,207	3,010	329,811
Per Cent Increase (Decrease) 1978 over 1977	3.9%	2.8%	6.2%	4.3%	9.7%	5.0%

C. GROWTH TRENDS — CUSTOMERS, REVENUES & MCF's

The annual average number of natural gas utility customers increased 2.0% in 1978 over 1977. The natural gas industry is reasonably young and comparatively small in North Carolina, having been started during the 1950-1958 period, and this accounts particularly for the high growth rate in customers up through 1971. Figure No. 30 shows the customer growth for the years 1965, 1970, 1973-1978 by major customer classification.

Additional breakdown between industrial firm and interruptible customers is shown in the following table:

CUSTOMERS BY CLASSIFICATION (ANNUAL AVERAGE)
1963-1978

			Industrial				
	Residential	Commercial	Firm	Interruptible	Total	Other* Classes	Totals
1963	125,435	17,470			1,661	13,387	157,953
1964	134,097	18,903			1,802	13,276	168,078
1965	145,080	20,613			1,860	17,834	185,387
1966	156,836	22,363			1,984	16,187	197,370
1967	169,127	24,241			2,107	15,639	211,114
1968	182,622	26,250			2,018	17,193	228,083
1969	196,570	28,918			2,625	18,580	246,693
1970	208,712	30,572			2,789	20,213	262,286
1971	220,941	31,834	1,451	857	2,308	20,435	275,518
1972	233,746	32,409	1,429	907	2,336	21,083	289,754
1973	242,405	33,245	1,339	879	2,218	21,645	299,513
1974	251,611	34,239	1,011	872	1,883	21,820	309,553
1975	255,339	35,141	1,031	831	1,862	22,221	314,563
1976	259,355	35,435	1,096	656	1,752	22,561	319,103
1977	267,629	35,141	1,312	550	1,862	17,007	321,639
1978	276,273	35,559	1,543	276	1,819	14,444	328,095
Percent Increase (Decrease) 1978 over 1977	3.2%	1.2%	17.6%	(49.8%)	(2.3%)	(15.1%)	2.0%

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*Includes public housing units rather than meters.

Figure No. 32 shows the total customer growth by regulated companies and municipal gas systems with total revenues of gas sold in MCF's* for the years 1965, 1970 and 1975-1978. The municipal's growth in customers in 1978 over 1977 was 1.1%, while the regulated utilities growth for the same period was 2.0%.

Growth in revenues from the sale of gas in 1978 over 1977 for the regulated section was 11.3%, and for the municipals 5.8%. The quantity of gas sold in terms of MCF's in 1978 over 1977 increased 8.7% for the regulated utilities and 5.4% for the municipals. The municipal data is for the fiscal year ended June 30th.

Figure No. 31 shows sale pattern of natural gas to ultimate type of customers in million MCF's by the North Carolina regulated natural gas companies.

D. RESIDENTIAL BILLS, USAGE AND COST PER MCF: COMPARISONS

Rates for natural gas and its usage vary widely among companies and regions, rendering it extremely difficult to make meaningful comparisons. Some of the reasons for these variances are: (a) Price — distance from source of supply, dates pipelines were constructed, and investment costs to be recovered and capitalization to be serviced, historic rate structures of different companies, and ability of the distribution company to obtain a high system load factor* and thereby earn a lower rate on its purchased gas; (b) Usage — the percent relationship of space heating customers to total customers among

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*Thousand cubic feet.

*Load factor is the ratio of actual use of a facility over a period of time which the facility was capable for the same period.

FIGURE NO. 30

GAS COMPANIES—CUSTOMER GROWTH BY CLASSES

(North Carolina Data Only—Annual Average Shown)
1965, 1970, 1973-1978

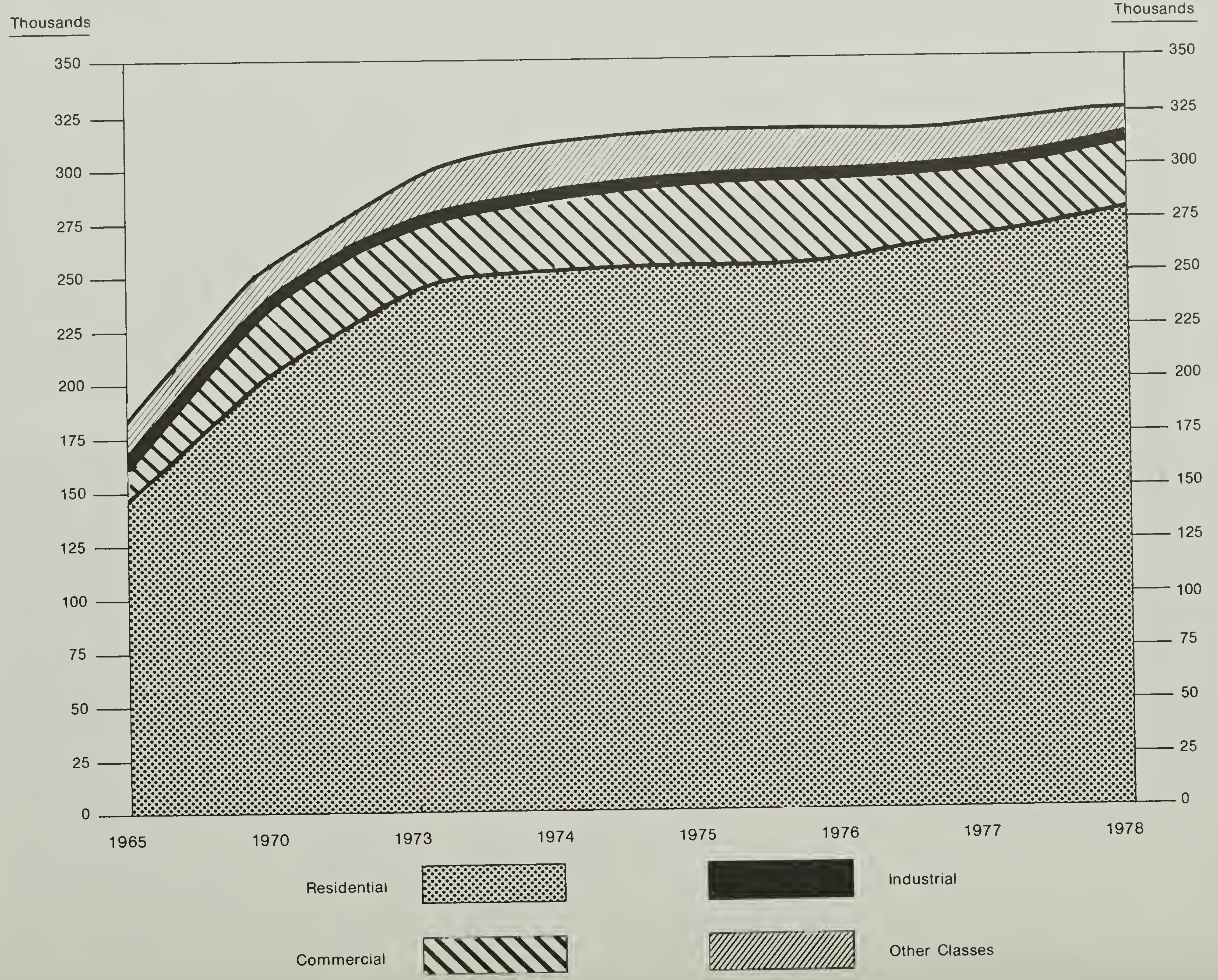

FIGURE NO. 31

GAS COMPANY ENERGY SALES BY CLASSES TO ULTIMATE CONSUMERS

(Millions of MCF's—North Carolina Data Only)
1965, 1970, 1975-1978

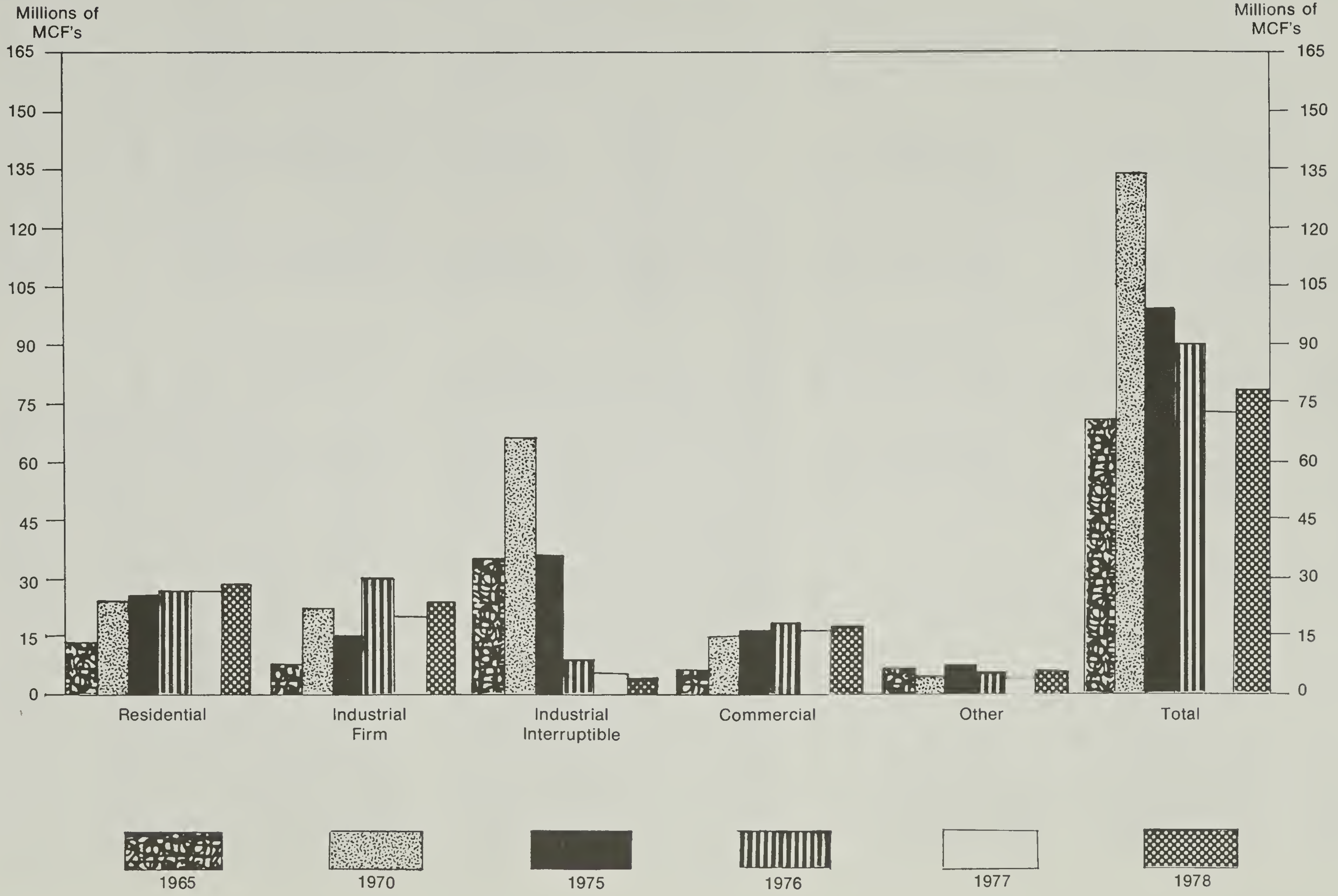

FIGURE NO. 32

REGULATED AND MUNICIPAL GAS SYSTEMS

Number of Customers, Total Revenue from Sales of Gas and Total MCF's Sold
For the Years 1965, 1970, 1975-1978
($ and MCF's in 000's)

			Number of Customers—Yearly Average[1] (N.C. Data Only)				% Increase (Decrease)
Regulated Utilities	1965	1970	1975	1976	1977	1978	1978 over 1977
Class A & B:							
North Carolina Natural Gas	32,653	40,676	50,150	50,891	51,225	54,821	7.0
North Carolina Gas Service, (Div. of Pa. & Southern Gas Co.)	4,943	7,562	8,220	8,244	8,295	8,304	.1
Piedmont Natural Gas Co., Inc.[2]	87,018	117,270	137,461	138,951	139,186	140,265	.8
Public Service Co. of N.C.	59,472	94,942	116,198	118,425	120,295	122,030	1.4
United Cities Gas Co.	1,301	1,836	2,534	2,592	2,638	2,675	1.4
Total — Regulated Utilities	185,387	262,286	314,563	319,103	321,639	328,095	2.0
Municipals:[3]							
Bessemer City	303	534	508	463	434	452	4.1
Greenville, City of	3,913	4,057	4,687	3,733	3,513	3,622	3.1
King's Mountain, City of	1,000	1,381	1,637	1,757	1,525	1,547	1.4
Lexington, City of	3,576	4,535	4,354	4,452	4,246	4,245	—0—
Monroe, City of	1,030	1,562	2,419	2,288	2,326	2,257	(3.0)
Rocky Mount, City of	3,464	5,580	7,460	8,885	7,754	7,902	1.9
Shelby, City of	2,656	3,752	3,767	3,749	3,743	3,744	—0—
Wilson, City of	3,540	4,626	5,442	5,551	5,743	5,835	1.6
Total — Municipals	19,482	26,027	30,274	30,878	29,284	29,604	1.1
GRAND TOTALS — ALL GAS SYSTEMS	204,869	288,313	344,837	349,981	350,923	357,699	1.9

[1] Public Housing Units counted as customers; amounts for Municipal Gas are year end figures.
[2] Includes data for Carolina, Natural Gas Corp. which merged with Piedmont Natural Gas Co., Inc. effective 7-31-68.
[3] Municipal Data for Fiscal Years ending June 30th.

			Total Revenue From Sales of Gas (N.C. Data Only) ($ in 000's)				% Increase (Decrease)
Regulated Utilities	1965	1970	1975	1976	1977	1978	1978 over 1977
Class A & B:							
North Carolina Natural Gas	$10,599	$ 24,439	$ 42,986	$ 46,247	$ 50,056	$ 56,669	13.2
North Carolina Gas Service, (Div. of Pa. & Southern Gas Co.)	1,222	2,466	3,166	3,436	5,100	5,139	.8
Piedmont Natural Gas Co., Inc.[1]	22,194	36,828	59,831	62,878	72,607	81,207	11.8
Public Service Co. of N.C.	17,738	33,995	52,053	61,877	71,953	79,095	9.9
United Cities Gas Co.	359	630	1,096	1,183	1,366	1,732	26.8
Total Regulated Utilities	$52,112	$ 98,358	$159,132	$175,621	$201,082	$223,842	11.3
Municipals:[2]							
Bessemer City	$ 93	$ 167	$ 301	$ 401	$ 530	$ 601	13.4
Greenville, City of	364	589	1,145	1,329	1,657	1,901	14.7
King's Mountain, City of	427	479	947	1,115	1,245	1,455	16.9
Lexington, City of	718	1,327	1,930	2,184	3,350	3,445	2.8
Monroe, City of	331	680	1,001	1,189	1,698	1,924	13.3
Rocky Mount, City of	922	1,543	2,715	3,927	3,932	4,482	14.0
Shelby, City of	1,240	1,743	2,338	3,196	4,022	3,508	(12.8)
Wilson, City of	572	919	1,399	1,574	2,161	2,349	8.7
Total — Municipals	$ 4,667	$ 7,447	$ 11,776	$ 14,915	$ 18,595	$ 19,665	5.8
GRAND TOTALS — ALL GAS SYSTEMS	$56,779	$105,805	$170,908	$190,536	$219,677	$243,507	10.8

[1] Includes data for Carolina Natural Gas Corp. which merged with Piedmont Natural Gas Co., Inc. effective 7-31-68
[2] Municipal Data for years ending June 30th.

FIGURE NO. 32—Continued

Regulated Utilities	Total MCF's Gas Sold (000's) (N.C. Data Only) 1965	1970	1975	1976	1977	1978	% Increase (Decrease) 1978 over 1977
Class A & B:							
North Carolina Natural Gas	17,039	39,687	30,763	28,465	21,503	22,844	6.2
North Carolina Gas Service, (Div. of Pa. & Southern Gas Co.)	1,717	4,265	1,898	1,663	1,786	1,751	(2.0)
Piedmont Natural Gas Co., Inc.[1]	28,154	46,231	34,822	30,444	24,995	28,242	13.0
Public Service Co. of N.C.	23,234	42,106	30,490	28,569	23,986	25,701	7.2
United Cities Gas Co.	395	755	576	491	478	533	11.5
Total — Regulated Utilities	70,539	133,044	98,549	89,632	72,748	79,071	8.7
Municipals:[2]							
Bessemer City	135	259	290	303	338	338	—0—
Greenville, City of	320	456	600	567	493	519	5.3
King's Mountain, City of	642	695	980	904	880	888	.9
Lexington, City of	919	2,018	2,024	1,925	1,929	2,312	19.9
Monroe, City of	367	810	670	616	666	662	(.6)
Rocky Mount, City of	1,308	1,726	1,608	1,898	1,488	1,462	(1.7)
Shelby, City of	2,576	3,676	2,760	2,814	2,248	2,372	5.5
Wilson, City of	545	821	782	730	779	742	(4.7)
Total — Municipals	6,812	10,461	9,714	9,757	8,821	9,295	5.4
GRAND TOTALS — ALL GAS SYSTEMS	77,351	143,505	108,263	99,389	81,569	88,366	8.3

[1] Includes data for Carolina Natural Gas Corp. which merged with Piedmont Natural Gas Co., Inc. effective 7-31-68.

[2] Municipal Data for years ending June 30th.

companies and regions, weather conditions between companies and regions (a variance in temperature of a few degrees per day between areas can greatly affect the number of degree days) and the competitive relationship of natural gas to other energy sources such as fuel oil, electricity, and coal; (c) Saturation of Customers — i.e., the number of customers per mile of gas mains.

Some average annual usages and (MCF)* costs data for the North Carolina natural gas companies and seven (7) natural gas companies located in various sections of the United States are shown on Figure No. 33. The data indicates North Carolina customers are somewhere in the middle range of the seven (7) companies shown. Due primarily to a generally mild climate, the North Carolina companies usage is lower than the national average. The cost per MCF is higher than the national average, due in large part to the high level of curtailments experienced by North Carolina gas companies.

*One MCF represents about 1,040,000 BTU's in heating capacity as compared to 3,413 for a kilowatt hour, or 13,000 BTU's per pound of coal, or 140,000 BTU's per one gallon of No. 2 fuel oil.

E. INDUSTRIAL SALES VOLUME

Industrial sales increased to 27 million from 25 million in 1978 over 1977, for an increase of 8.0%, with the total industrial sales of MCF's accounting for 34.0% of total MCF's sold in North Carolina by the regulated natural gas companies. In 1978, firm industrial sales increased 17.1% over 1977, and interruptible industrial sales decreased 29.4% for the same period. These changes in industrial sales results from Commission policies designed to cope with the overall decrease in available natural gas supplies reflecting the curtailments imposed on the North Carolina distributing companies by the one major supplier, Transco.

See Figure No. 34 for a summary of natural gas MCF's sold, revenues, and customers by classification with percent of totals shown for industrial customers.

F. THUMBNAIL SKETCH OF NATURAL GAS CURTAILMENTS — 1971-1978

a. 1971-72 — The winter season curtailments began on the Transco System, each customer of Transco was curtailed an equal proportionate amount of about 2 to 3%. This interim plan was approved by the Federal Power Commission (FPC).

b. 1972-73 — The winter season curtailment was increased to about 8 to 10%. The FPC instituted a formal proceeding (Docket No. RP72-99) designed to determine a permanent type curtailment plan for Transco.

c. 1973 — The FPC issued its Order (467-B) requiring Transco to make its allocations of gas under priorities according to the "end-use" theory (the

FIGURE NO. 33

RESIDENTIAL NATURAL GAS CUSTOMERS AVERAGE ANNUAL USAGE AND COST DATA (MCF)

N.C. and Selected Gas Companies Outside N.C.
For the Years 1965, 1970, 1975, 1977-1978

	Use-MCF					Rate per MCF					Total Cost				
Company	**1965**	**1970**	**1975**	**1977**	**1978**	**1965**	**1970**	**1975**	**1977**	**1978**	**1965**	**1970**	**1975**	**1977**	**1978**
N.C. Gas Companies (N.C. Data Only):															
N.C. Natural Gas Corp.	72	89	77	86	85	$1.72	$1.55	$2.02	$2.78	$3.00	$123.18	$137.95	$155.54	$239.08	$255.00
Pa. & Southern Gas Co.	121	138	116	115	117	1.08	1.00	1.79	2.67	3.06	131.25	138.00	207.64	307.05	358.02
Piedmont Natural Gas Co., Inc.[1]	99	124	97	104	114	1.34	1.46	1.99	2.72	2.97	132.56	181.04	193.03	282.88	338.58
Public Service Co. of N.C., Inc.	94	115	98	99	104	1.45	1.39	2.15	3.15	3.32	136.28	159.85	210.70	311.85	345.28
United Cities Gas Co.	68	93	88	94	96	1.72	1.53	2.40	3.19	3.67	117.05	142.29	211.20	299.86	352.32
Weighted Average	93	116	95	100	106	$1.41	$1.32	$2.05	$2.89	$3.12	$131.44	$141.98	$194.75	$289.00	$330.72
Gas Co.'s Outside N.C. — (Systemwide Data):[2]															
Alabama Gas Co.	100	120	91	110	106	$1.13	$1.09	$1.72	$1.98	$2.50	$113.00	$130.80	$156.52	$217.80	$265.00
Arkansas Western Gas Co.	131	139	114	111	120	.73	.82	1.12	1.55	1.86	95.63	113.98	127.68	172.05	223.20
Indiana Gas Co.	165	170	160	168	165	.89	1.06	1.37	2.03	2.15	146.85	180.20	219.20	341.04	354.75
Fall River Gas Co.	76	93	86	91	90	1.87	1.75	3.61	4.34	4.63	142.12	162.75	310.46	394.94	416.70
Haverhill Gas Co.	83	110	93	97	95	1.81	1.73	2.93	3.69	3.96	150.23	190.30	272.49	357.93	376.20
Mississippi Valley Gas Co.	102	102	87	104	100	.84	.88	1.41	1.99	2.32	85.68	89.76	122.67	206.96	232.00
Washington Natural Gas Co.	115	124	122	106	104	1.35	1.27	2.12	2.99	3.29	155.25	157.48	258.64	316.94	342.16
National Average[3]	117	129	122	119	121	$1.00	$1.06	$1.69	$2.33	$2.53	$117.00	$133.18	$206.18	$276.57	$306.13

[1] Carolina Natural merged with Piedmont effective 7-31-68. All figures of Carolina for prior years are included in Piedmont.

[2] Source: Company Annual Stockholder Reports.

[3] Source: Gas Facts — Edition for Years Shown.

FIGURE NO. 34

Summary of Natural Gas Sales of MCF's (1967-1977) & Dekatherms (1978) Revenues and Customers By Classification with Percent of Totals Shown for Industrial Customers (N.C. Data Only)

Calendar Years 1965, 1970, 1975-1978

Sales—MCF's & DT's. (000's)	1965	% ot Total	1970	% ot Total	1975	% ot Total	1976	% ot Total	1977	% ot Total	1978	% ot Total
Residential	13,487	19.1	23,687	17.8	24,458	24.8	27,374	30.5	26,620	36.6	29,240	37.0
Commercial	6,539	9.3	14,889	11.2	15,867	16.1	17,650	19.7	16,122	22.2	17,450	22.0
Other	6,769	9.6	6,344	4.8	6,768	6.9	6,258	7.0	5,145	7.1	5,520	7.0
Total	26,795	38.0	44,920	33.8	47,093	47.8	51,282	57.2	47,887	65.9	52,210	66.0
Industrial—Firm	8,270	11.7	22,538	16.9	15,166	15.4	29,790	33.2	20,032	27.5	23,451	29.7
Industrial—Interruptible	35,474	50.3	65,586	49.3	36,290	36.8	8,560	9.6	4,829	6.6	3,410	4.3
Total Industrial	43,744	62.0	88,124	66.2	51,456	52.2	38,350	42.8	24,861	34.1	26,861	34.0
Total Sales	70,539	100.0	133,044	100.0	98,549	100.0	89,632	100.0	72,748	100.0	79,071	100.0
Revenues: (000's)												
Residential	$ 17,664	33.9	$ 31,217	31.7	$ 49,823	31.3	$ 61,642	35.1	$ 77,050	38.3	$ 91,179	40.7
Commercial	9,194	17.6	16,295	16.6	28,308	17.8	37,606	21.4	49,597	24.7	51,067	22.8
Other	3,239	6.2	6,126	6.2	9,400	5.9	11,445	6.5	11,864	5.9	12,732	5.7
Total	30,697	57.7	53,638	54.5	87,531	55.0	110,693	63.0	138,511	68.9	154,978	69.2
Industrial—Firm	5,937	11.4	13,828	14.1	37,711	23.7	50,993	29.1	49,654	24.7	58,071	26.0
Industrial—Interruptible	16,078	30.9	30,892	31.4	33,890	21.3	13,935	7.9	12,917	6.4	10,793	4.8
Total Industrial	22,015	42.3	44,720	45.5	71,601	45.0	64,928	37.0	62,571	31.1	68,864	30.8
Total Revenues	$ 52,112	100.0	$ 98,358	100.0	$159,132	100.0	$175,621	100.0	$201,082	100.0	$223,842	100.0
Customers: (Annual Average)												
Residential	145,080	78.3	208,712	79.6	255,339	81.2	259,355	81.3	267,629	83.2	276,273	84.2
Commercial	20,613	11.1	30,572	11.7	35,141	11.2	35,435	11.1	35,141	10.9	35,559	10.8
Other	17,834	9.6	20,213	7.7	22,221	7.0	22,561	7.1	17,007	5.3	14,444	4.4
Total	183,527	99.0	259,497	99.0	312,701	99.4	317,351	99.5	319,777	99.4	326,276	99.4
Industrial—Firm	1,264	.7	1,352	.5	1,031	.3	1,096	.3	1,312	.4	1,543	.5
Industrial—Interruptible	596	.3	1,437	.5	831	.3	656	.2	550	.2	276	.1
Total Industrial	1,860	1.0	2,789	1.0	1,862	.6	1,752	.5	1,862	.6	1,819	.6
Total Customers	185,387	100.0	262,286	100.0	314,563	100.0	319,103	100.0	321,639	100.0	328,095	100.0

type of ultimate use to which the gas was put by the consumer).

d. 1973-74 — The winter season curtailment based on the "end-use" theory would have resulted in a 27 to 30% decrease of gas from the base period. However, the State of North Carolina and the North Carolina Utilities Commission forced a Stay Order against the FPC and the curtailment based on the pro-rata plan remained at about 16%.
e. 1974 — The FPC held formal hearings on its curtailment plan. In the meantime, Transco and its customers including the North Carolina regulated companies reached a "Settlement Plan" based on the use of 50% "pro-rata" and 50% "end-use" theories. The FPC did not accept the "Settlement Plan" voluntarily but was required by the Court to go along with it pending further consideration of the matter.
f. 1974-75 — The winter season curtailment was based on the "Settlement Plan" with "Compensation" funds being held in escrow. The compensation funds represented the value of the lost revenues for the companies which received less gas under the "Settlement Plan" than they would have received under the pro-rata plan. North Carolina companies' curtailments resulted in about 21% less MCF's being sold than were sold during the 1973-74 season.
g. 1975 — No November 28, 1975, Transco's fourth interim settlement agreement was approved by the FPC.
h. 1975-76 — The winter season curtailment resulted in about 9% less MCF's being sold than were sold during the 1974-75 season.
i. 1976 — On October 8, 1976, the FPC issued its Opinion No. 778 in RP72-99 establishing a permanent curtailment plan, using 467-B methodology.

   The approved "end-use" plan became effective November 1, 1976. The adoption of this plan along with Transco's drastically reduced supplies, greatly accelerated the decreasing amount of natural gas available to North Carolina utilities from Transco for the 1976-77 winter season.

   To partially offset the shortage of gas from Transco, the utilities purchased more expensive "Emergency Gas" for high priority uses (residential, commercial, and industrial whose alternate fuel was propane or other gaseous fuels), under the FPC 60-day emergency gas provision. These purchases amounted to approximately 7,756,000 MCF's during 1976. Also, two of the companies transported approximately 640,114 MCF's of natural gas purchased directly by its high priority industrial customers under an Order of the FPC which allows these customers to purchase gas from producers at unregulated prices for their own use.
j. 1976-77 — With the purchase of emergency gas and direct purchases by several large industrial customers, the total supply of gas was increased about 3.5% for the winter and summer seasons.
k. 1978 — During this year the total gas available from all sources including 433,813 MCF's from various exploration projects carried on by the five (5) North Carolina regulated gas companies declined by about 9% from the total available during 1977.

The table below shows the volumes and sources of all natural gas available to the regulated companies serving North Carolina, in the case of Piedmont Natural Gas Company the volumes are for total company operations which includes South Carolina which accounted for 31% of Piedmont's total MCF sales in 1978.

VOLUMES AND SOURCES OF NATURAL GAS AVAILABLE FOR THE YEARS 1977 AND 1978

Supply Source	N.C. Gas Service	N.C. Natural Gas	Piedmont Natural Gas Co.	Public Service Co. of N.C.	United Cities Gas Co.	Total
			MCF's — 1977			
Carolina Pipeline Co.	—0—	—0—	8,036,228	—0—	—0—	8,036,228
Transco	1,434,683	19,988,273	27,342,227	22,339,586	1,201,429	72,306,198
Emergency Purchases	651,321	5,939,747	9,243,248	6,622,848	377,912	22,835,076
Direct Purchases by User	290	646,322	—0—	1,186,314	—0—	1,832,926
TOTAL	2,086,294	26,574,342	44,621,703	30,148,748	1,579,341	105,010,428
			MCF's — 1978			
Carolina Pipeline Co.	—0—	—0—	7,096,181	—0—	—0—	7,096,181
Transco	1,577,418	19,976,264	26,303,293	21,842,727	1,164,000	70,863,702
Emergency Purchases	270,479	2,061,705	6,574,899	5,251,895	178,918	14,337,896
Direct Purchases by User	201,050	395,554	294,235	1,871,389	—0—	2,762,228
Exploration	3,309	95,847	210,319	118,449	5,889	433,813
TOTAL	2,052,256	22,529,370	40,478,927	29,084,460	1,348,807	95,493,820

l. 1979 — **North Carolina wins Additional Gas Supplies in Settlement Case.** In early January 1979, FERC agreed to a negotiated settlement of the methodology to use in allocating Transco's gas supplies to its customers (Docket No. RP72-99 — Order 467-B). The settlement was based in principle on the North Carolina backed "equal pro-rata" allocation formula rather than the "end-use" theory. The U.S. Court of Appeals for the District of Columbia required FERC to take action to remove the discrimination against the State of North Carolina. The result of carrying out the court order was an increase by Transco to North Carolina of about 13% in the supply of regular priced natural gas. The matter of curtailment compensation to states like North Carolina which received less volumes of gas from Transco under the "end-use" theory than they were entitled to under the "equal pro-rata" plan is still under consideration by FERC. The Commission's counsel on such matters (Simmons & Simmons of Washington, D.C.) plans to file a motion (probably in July 1980) with the Court to enforce FERC's 1978 mandate on this point.

m. 1980 — Natural gas supplies are adequate and new customer connections are being made as rapidly as possible. Transco suspended curtailment effective May 16, 1980.

The increased volumes of gas available to North Carolina comes from the combination of Transco's "equal pro-rata" allocation policy and the effects of the Natural Gas Policy Act of 1978 which established policies by which gradual de-regulation of new natural gas would be allowed by 1985. This act became effective in November 1978 and has resulted in increased investment in exploration and drilling for additional sources of natural gas. These activities have produced increased supplies of natural gas of which Transco and North Carolina have been beneficiaries.

G. RATE CHANGES — GAS TRACKINGS

General Rate Increases. A portion of the revenue increase in 1977 and 1978 over 1976 reflects the general rate increases approved by the Commission for the following companies:

GENERAL RATE INCREASES APPROVED
GAS COMPANIES
For the Years 1977 - 1978

Company	Date Filed	Docket Number	Amount Requested (000's)	Interim (000's)	Amount Approved Final 000's	Date of Final Order
1977						
Piedmont Natural	7/23/76	G-9, Sub 158	685		—0—	2/22/77
Public Service	7/12/76	G-5, Sub 119	3,766		1,514	2/11/77
1978						
N.C. Natural	11/22/77	G-21, Sub 177	4,608		2,935	6/23/78
N.C. Gas Serv. (Div. of Pa. & Southern Gas)	4/29/77	G-3, Sub 76	673	596[1]	642	2/16/78
Piedmont Natural	12/30/77	G-9, Sub 176	6,974		5,528	8/07/78
Public Service Co.	12/15/77	G-5, Sub 136	5,869		3,428	10/19/78

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[1] Interim Effective 9/14/77.

Gas Tracking Activity — Price Changes. Pursuant to authority granted to the Utilities Commission in G.S. 62-133 by the 1971 General Assembly, the Commission in Docket No. G-100, Sub 14, established procedures under which gas companies in North Carolina could pass on to its customers wholesale increases in the cost of gas to them by their pipeline suppliers. This tracking authority has reduced the amount and number of general rate cases filed with the Commission during the years since 1972 and reduced the lag time the companies would have experienced in recouping the increased gas costs which have a direct impact on the companies level of earnings.

The following are gas tracking increases approved by the Commission for the calendar years 1977 and 1978:

GAS TRACKING INCREASES APPROVED — GENERAL

Calendar Years 1977 & 1978

Company	Docket No.	No. of Filings	Estimated Amount Approved	Increase Per Dekatherm*
	1977			
N.C. Gas Service	G-3, Subs 75, 77	2	$ 317,310	21.733¢
N.C. Natural Gas	G-21, Subs 164, 166, 173	4	2,836,363	19.261¢
Piedmont Natural	G-9, Subs 165, 166, 173	4	6,639,592[1]	25.644¢
Public Service	G-5, Subs 127, 129, 135	2	6,168,590	27.316¢
United Cities	G-1, Subs 62, 63	2	82,038	19.158¢
TOTALS		14	$16,043,893	

[1] Includes a gas tracking decrease of $211,130

Company	Docket No.	No. of Filings	Estimated Amount Approved	Increase Per Dekatherm*
	1978			
N.C. Gas Service	G-3, Subs 83, 88	2	$ 770,480	47.340¢
N.C. Natural Gas	G-21, Subs 180, 186, 189	3	12,879,591	69.514¢
Piedmont Natural	G-9, Subs 179, 183	2	14,865,148	58.020¢
Public Service	G-5, Subs 139, 142	2	12,372,281	50.798¢
United Cities	G-1, Subs 67, 70	2	227,448	51.570¢
TOTALS		11	$41,114,948	

GAS TRACKING INCREASES APPROVED — SPECIAL

(C.F. Industries, Inc., — only Customer Affected)

Calendar Years 1977 & 1978

Company	Docket No.	No. of Filings	Estimated Amount Approved	Increase Per Dekatherm
	1977			
N.C. Natural Gas	G-21, Subs 163, 165, 174	3	$ 576,324	15.831¢
	1978			
N.C. Natural Gas	G-21, Subs 181, 187, 191	3	$ 1,380,620	51.084¢

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*Dekatherm = 1.030 MCF's.

These gas tracking increases approved are both increases or decreases in the cost of wholesale gas from Transco. The distributing companies maintain a "deferred" account in which the changes in cost of gas are accounted for and at an appropriate time applications to recover or refund the net effect are made with the Commission, with the exception of N.C. Natural Gas Companies rate schedule 7 (C.F. Industries, Inc.) which by contract is adjusted for changes in the cost of wholesale gas each time Transco submits a rate change. NOTE: During 1978 all five (5) gas companies changed their methods of purchasing and selling gas from a Thousand Cubic Feet (MCF) basis to a Dekatherm (Dt) basis. One Dt = approximately 1.030 MCF. One Dt = 10 therms.

The tracking proceedings under which these passons are allowed involves filing of data by gas utilities essentially in the same format as filing for general rate proceedings. This data is reviewed and analyzed by both the Commission and Public staff's Engineering and Accounting divisions, and because of the frequency of the filings during the period 1973-1978, each year consumed an equivalent of 7-man months staff time from these divisions.

Curtailment Tracking Adjustment Activity. During 1976, the Commission granted approval for all the gas utilities to file curtailment tracking adjustments in order to adjust rates and charges resulting from increases or decreases in supply volumes. Curtailment Tracking Adjustments (CTA) rate changes are designed to maintain a consistent "margin" or difference between revenues and cost of gas plus gross receipts tax due to changes in the amount of gas available for sale. The changes in available gas are measured from a base period which is determined by the Commission at the company's request or at the time of a general rate case when the projected volumes based on test year data adjust the CTA rate to zero. Changes in the amount of available gas from this new base year volume determines the CTA rate to be included in customer bills. Decreases in the amount of available gas results in an increased CTA rate and increases result in a decreased CTA rate. Changes in the available gas from the base year volumes due to emergency gas purchases, exploration and development gas entering the pipeline, and revised allocations from Transcontinental Gas Pipe Line Corporation (Transco) will inversely change the CTA base year volumes and the CTA rate will be adjusted accordingly.

The following curtailment tracking adjustments were filed in 1977 and 1978.

CURTAILMENT TRACKING INCREASES/DECREASES APPROVED
Calendar Years 1977 & 1978

Company	Docket No.	No. of Filings	Estimated Revenue Approved
	1977		
N.C. Gas Service	G-3, Sub 58D	1	$ (98,539)
N.C. Natural	G-21, Sub 128C	1	4,017,000
Piedmont Natural	G-9, Subs 131E, 158A	2	79,312
Public Service	G-5, Subs 102D, 119A, 137	3	1,830,874
United Cities	G-1, Subs 47C, 47D	2	30,310
TOTAL		9	$ 5,858,957
	1978		
N.C. Gas Service	G-3, Sub 58E	1	$ 274,364
N.C. Natural	G-21, Subs 128D, 182	2	3,270,624
Piedmont Natural	G-9, Subs 176A, 181	2	(3,174,381)
Public Service	G-5, Subs 136A, 140	2	(7,028,888)
United Cities	G-1, Subs 47E, 69	2	2,924
TOTAL		9	$(6,655,357)

Emergency Purchases. Section 2.68 of the Natural Gas Act provides for the purchase of "Emergency Gas" by North Carolina distributors from sources other than Transco. This gas is not subject to regulation by the Federal Energy Regulatory Commission (FERC) the successor to the Federal Power Commission (FPC) but the excess cost of this gas over Transco's pipeline or CD-2 gas can be recovered from the users only through prior approval by the North Carolina Utilities Commission.

Following are the authorized increases in rates per MCF resulting from the higher cost emergency gas purchases for the calendar years 1977 and 1978. The 1978-1979 supplies of gas available to North Carolina customers have increased to the extent that no purchases of emergency gas will be necessary to serve priority 1 and 2 customers during the 1979-1980 winter season. The amount of emergency gas, when included as total volumes available for customer use, will reduce the curtailment tracking adjustment portion of the rate schedules.

EMERGENCY GAS PURCHASES
Calendar Years 1977 & 1978

Company	Docket No.	No. of Filings	Excess Cost of Emergency Gas	Excess Cost Per MCF
	1977			
N.C. Gas Service	G-3, Subs 78, 79	2	$ 852,060	1.893
N.C. Natural	G-21, Subs 168, 169	2	5,330,498	1.505
Piedmont Natural	G-9, Subs 168, 177	2	9,612,887	1.548
Public Service	G-5, Subs 130, 137	2	5,242,843	1.219
United Cities	G-1, Subs 60, 65	2	197,520	1.383
TOTAL		10	$21,235,808	1.450

EMERGENCY GAS PURCHASES—Continued

Company	Docket No.	No. of Filings	Excess Cost of Emergency Gas	Excess Cost Per MCF
	1978			
N.C. Gas Service	G-3, Sub 87	1	$ 352,643	1.305
N.C. Natural	G-21, Subs 182, 183	2	2,157,000	1.200
Piedmont Natural	G-9, Sub 181	1	2,804,807	1.247
Public Service	G-5, Sub 140	1	7,361,368	1.366
United Cities	G-1, Sub 69	1	102,641	1.339
TOTAL		6	$12,778,459	1.306

Exploration and Development Trackings (E&D). On June 26, 1975, the Commission established natural gas exploration rules (Docket No. G-100, Sub 22), which provided for customer participation in approved exploration and development programs on a 75% customer investment and 25% distribution investment basis. Approximately every six (6) months the distributors determine a dekatherm (Dt)* rate to be billed to their customers to recover their share of the allowable E&D costs. Successful discoveries are either sold and proceeds used to reduce exploration costs or, when practical, the new gas is put into Transcontinental Gas Pipeline Corporation (Transco) supply of gas to North Carolina distributors to reduce curtailment tracking gas rates.

The 75% customer or ratepayer contributions since the inception of the program in June 1975 is summarized below:

EXPLORATION AND DEVELOPMENT TRACKINGS

Expenditures and Their Recoveries Through Tracking Increases
From the Beginning of the Program in June, 1975 through December, 1978

		Adjustments — Add or (Deduct)				Cost Recovery Data	
Company	N.C. Ratepayers Gross Costs (75% of Total)[1]	From Previous Filings	Value of Recoveries	Tax Savings	Net Costs To Be Recovered	Actual Receipts	Balance over (under)
N.C. Gas Service (Pa. & Southern)	$ 374,552	$ (18,930)	$ (6,306)	$ (65,480)	$ 283,836	$ 327,722	$ 43,886
N.C. Natural	7,733,053	(170,486)	(232,152)	920,026	8,250,441	8,800,797	550,356
Piedmont Natural	6,900,571	(412,494)	(166,833)	(601,253)	5,719,991	6,106,179	386,188
Public Service	9,826,232	(165,400)	(329,982)	(1,022,813)	8,308,037	8,668,849	360,812
United Cities	497,800	(75,472)	(19,640)	6,382	409,070	459,561	50,491
TOTAL	$25,332,208	$(842,782)	$(754,913)	$ (763,138)	$22,971,375	$24,363,108	$1,391,733

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[1] Includes interest charges.

*Dekatherm = 1.030 MCF's.

H. NATURAL GAS PIPELINE SAFETY

On August 12, 1968, the United States Congress passed Public Law 90-481, better known as the Natural Gas Pipeline Safety Act of 1968. This Act authorized the secretary of transportation to administer this law, develop standards and regulate enforcement of such standards for the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. Section 5A of this Act authorized each state to regulate these minimum standards through certification to the secretary of transportation providing certain provisions were met by each state.

Section 62-50 (Safety Standards of Interstate and Intrastate Natural Gas Pipelines) was enacted as Chapter 1134 of the 1967 Session Laws and became effective January 1, 1968. In the 1969 Legislature, an amendment was added to Section 62-50 of the General Statues which authorized the North Carolina Utilities Commission to administer a state program pertaining to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities used to transport natural gas in North Carolina.

The Gas Pipeline Safety Section of the North Carolina Utilities Commission has been given the responsibility of developing and implementing this program. Section 62-50 of the North Carolina General Statutes is far reaching and affects directly or indirectly all persons who distribute or use natural gas in North Carolina.

The procedures and standards adopted by the North Carolina Utilities Commission as authorized under Section 62-50 is known as the North Carolina Gas Pipeline Safety Code. This Code is a mandatory requirement under State law and noncompliance by any persons engaged in the transportation of gas or who owns or operates pipeline facilities is subject to a civil penalty not to exceed $1,000 per each violation for each day that such violation persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The law also provides authority for the Commission to file suit to restrain violations of the Code including the restraint of transportation of gas for the operation of the pipeline facility.

The North Carolina Gas Pipeline Safety Code is comprised of two basic sections; Part 191 (report of leaks), and Part 192 (Minimum Federal Safety Standards). In order to comply with the certification to the Secretary of Transportation, the Commission must adopt as part of its Code all Minimum Federal Safety Standards under Part 192, but if deemed necessary, may implement more stringent safety standards than the Minimum Federal Safety Standards.

There are five (5) major gas utilities in North Carolina, along with eight (8) municipal gas systems, which comprise some 175 individual distribution systems which are monitored for compliance with the North Carolina Gas Pipeline Safety Code. Connecting and within these systems are 1,535 miles of transmission mains and 9,115 miles of distribution mains.

Under the July 1, 1977 reorganization of the North Carolina Utilities Commission the Gas Pipeline Safety Program became a part of the Commission Staff activities and was assigned for administrative purposes to the Transportation Division.

During 1977, the Gas Pipeline Safety Section of the Commission staff spent 176 days inspecting pipeline facilities in North Carolina, with 75 violations detected. By year end, 59 noncompliances had been corrected. There were 6 major accidents investigated, with a loss of property damage exceeding $100,000. The cost of conducting the pipeline safety program for 1977 was $85,747, of which $42,873, or 50% was reimbursed to the North Carolina Utilities Commission by the Office of Pipeline Safety, United States Department of Transportation.

Activities were reduced in 1978, due to the loss of personnel available to the Gas Pipeline Safety Program. There were 102 person-days spent on inspection of pipeline facilities with 23 major violations detected. By year end, 13 noncompliances had been corrected. There were 6 major accidents investigated, which resulted in property damage of $93,000. The Staff was instrumental in establishing a statewide "one call system" in North Carolina whereby anyone planning an excavation could call a toll-free number and the gas utility companies would locate their facilities for the excavator, in order to cut down on underground damage to gas pipelines.

The cost of conducting the pipeline safety program for 1978 was $67,184, of which $33,592, or 50% was reimbursed to the Commission by the Office of Pipeline Safety, United States Department of Transportation.

I. SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR

Both the source and disposition of the 1977 and 1978 gas revenue dollar are shown by the two pie charts on Figure Nos. 35 and 36.

Shown below is a comparison chart reflecting both source and disposition of gas revenue dollar for the years 1973-1978.

SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR
(N.C. Data Only)
For the Years 1973-1978

	1973	1974	1975	1976	1977	1978
Source:						
Residential	30%	39%	31%	35%	38%	40%
Commercial	16	16	18	21	24	22
Industrial	16	20	24	29	24	26
Interruptible	31	30	21	8	6	5
Other	7	5	6	7	8	7
TOTAL	100%	100%	100%	100%	100%	100%

NOTE: The revenue dollar includes other net income and deductions, including interest charged construction.

	1973	1974	1975	1976	1977	1978
Disposition:						
Cost of Purchased Gas	54%	52%	51%	55%	59%	59%
Other Operating Expenses	13	14	14%	14	14	14
Depreciation and Amortization	5	5	5	5	4	4
Income Taxes	5	7	8	7	5	5
General Taxes	9	8	8	8	8	8
Interest & Other Deductions	7	6	6	5	5	5
Dividends	5	5	4	4	4	4
Retained Earnings	2	3	4	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%

J. STATISTICAL SUMMARY DATA

Gross operating revenues increased in 1978 over 1977 by 11.0%, reaching a total of over $226 million. Operating expenses also increased in 1978 over 1977 by 10.4%, resulting in an increase in net operating revenue of 16.8%.

Interest on long-term debt increased 15.5% for 1978. Net income showed an increase of 19.6% over 1977, equivalent to $1,799,000. Earnings per common share outstanding increased in 1978 over 1977 from $1.49 to $1.56 (4.7%) while the number of common shares outstanding increased by 1.0% for the same period.

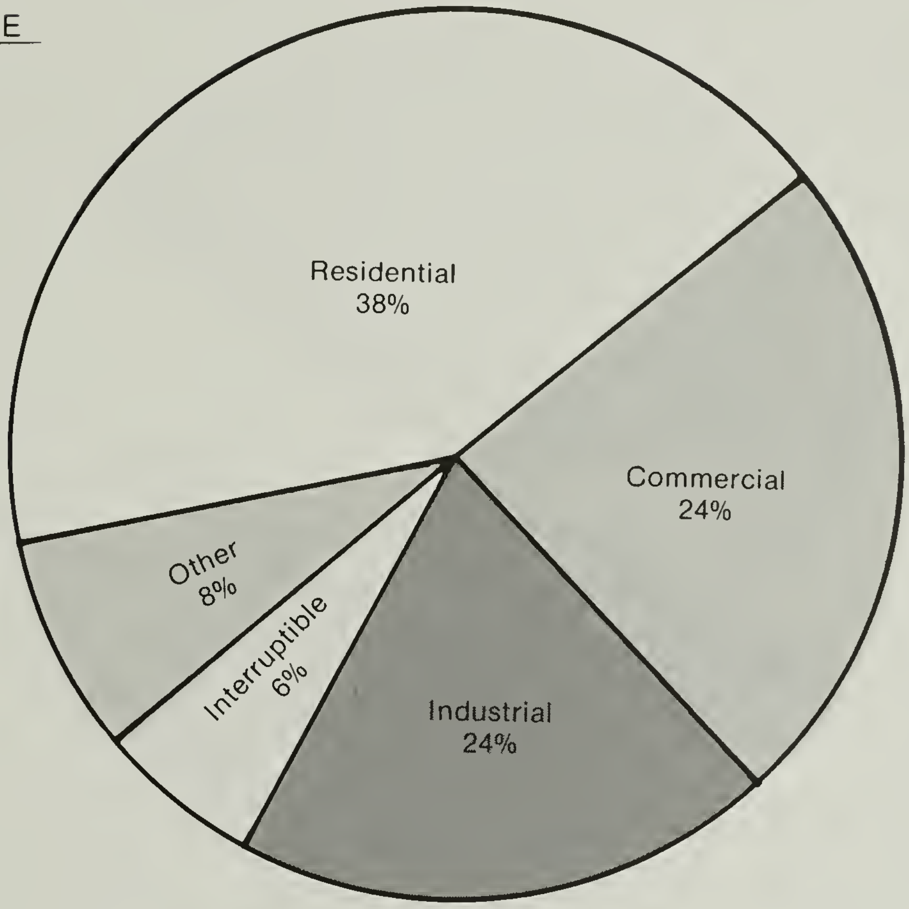
Average number of full-time employees increased in 1978 over 1977 by 31, or 1.8%, while total wages paid these 1,796 employees increased by 11.1% to $23,117,000. See Figure No. 37 for additional financial and operating statistical data.

FIGURE NO. 35

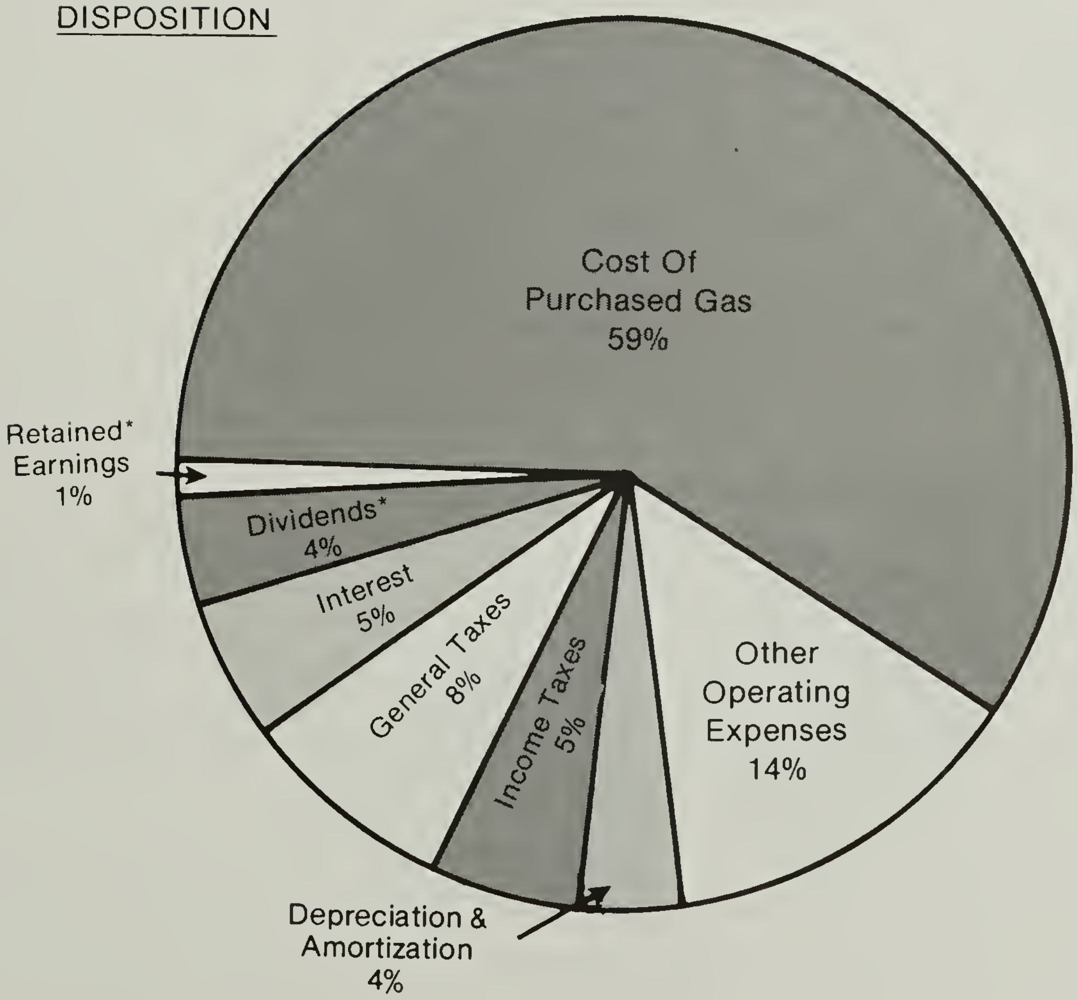
SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
GAS COMPANIES
NORTH CAROLINA DATA ONLY

December 31, 1977

SOURCE



DISPOSITION



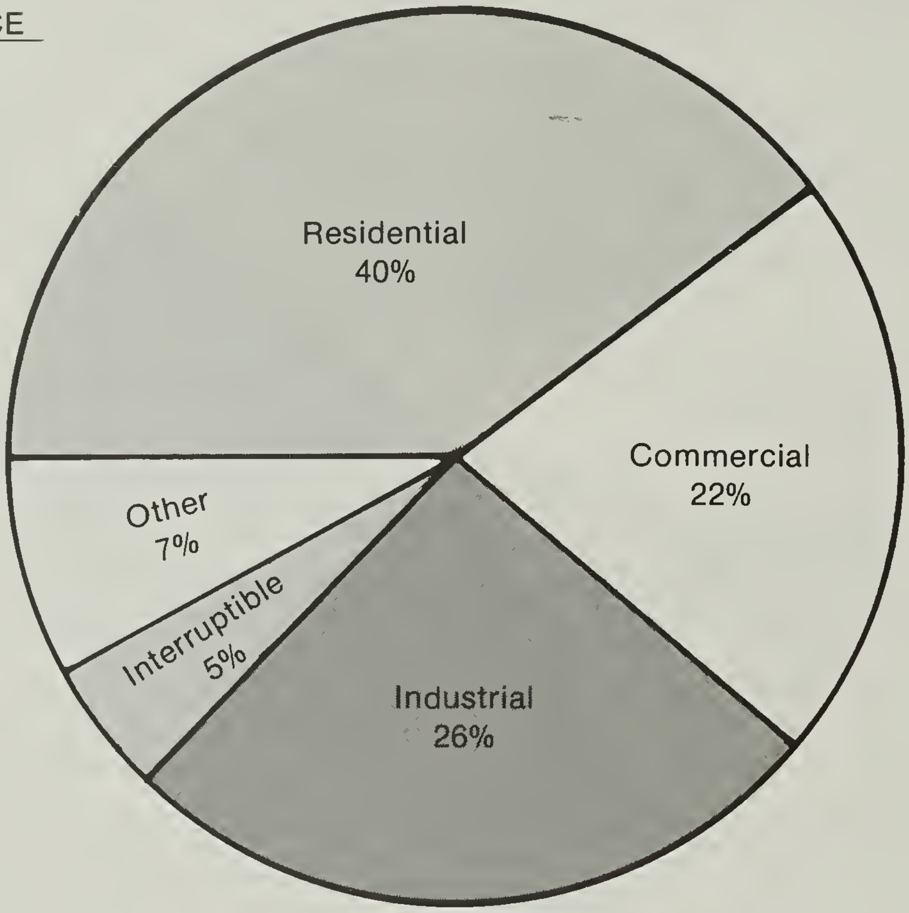
*Retained Earnings and Dividends per revenue dollar have no relation to the rate of return earned on investments.

FIGURE NO. 36

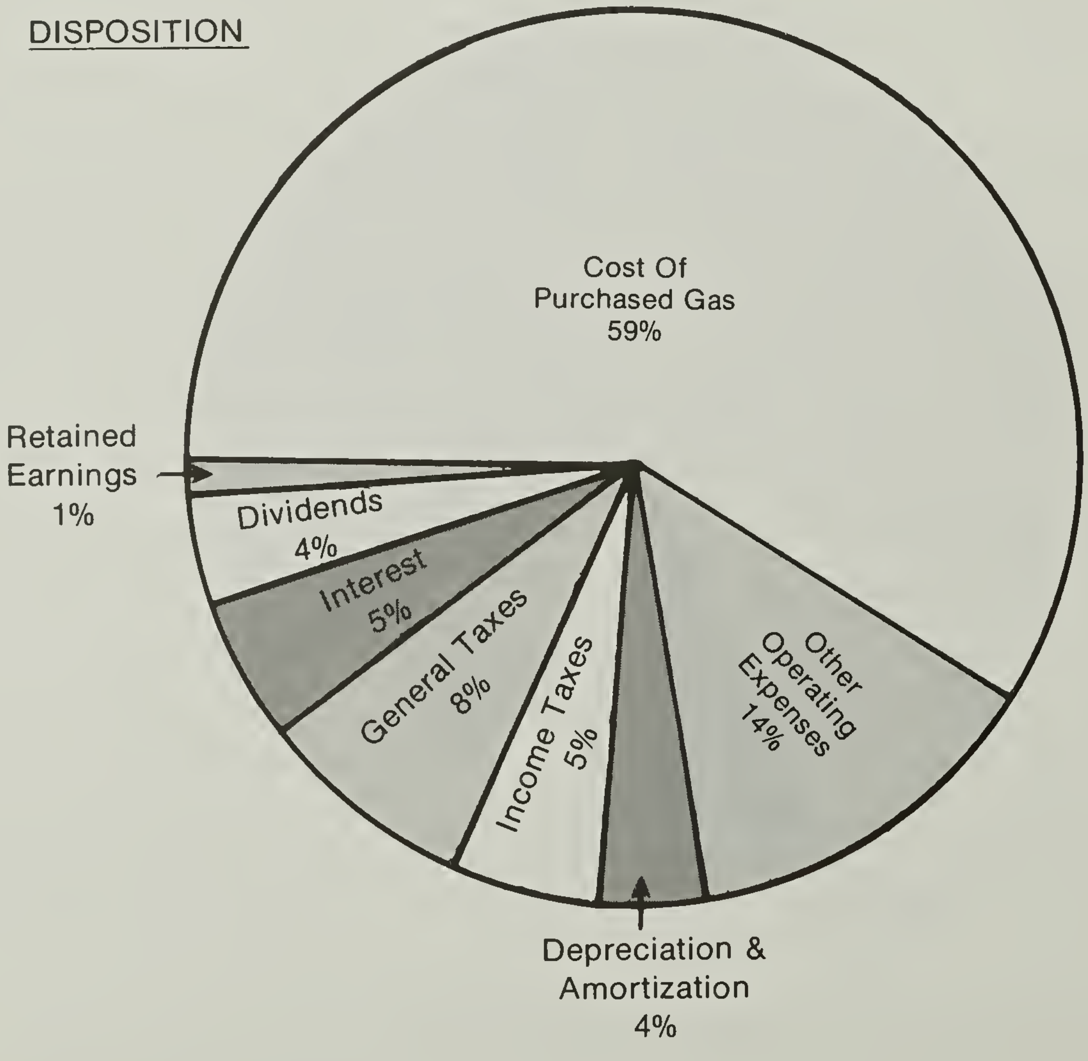
SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
GAS COMPANIES
NORTH CAROLINA DATA ONLY

December 31, 1978

SOURCE



DISPOSITION



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*Retained Earnings and Dividends per revenue dollar have no relation to the rate of return earned on investments.

FIGURE NO. 37

GAS COMPANIES—CLASSES A & B
SUMMARY OF SELECTED INCOME AND EXPENSES, BALANCE SHEET AND CUSTOMER STATISTICS FOR THE CALENDAR YEARS
1960, 1965, 1970, 1975, 1977-1978

(N.C. Data Except As Noted) (Dollars in 000's)

Item	1960	1965	1970	1975	1977	1978	% Change More (Less) 1978 Over 1977
Number of Companies Regulated		7	5	5	5	5	
Number Included in this Data		7	5	5	5	5	
Income Items:							
Sales—Residential				$ 49,823	$ 77,050	$ 91,179	18.3
—Commercial				28,308	49,597	51,067	3.0
—Industrial—Firm				37,712	49,653	58,071	17.0
—Industrial—Interruptible				33,890	12,917	10,793	(16.4)
—Other				9,399	11,865	12,732	7.3
Total Sales of Gas	$ 31,230	$ 52,112	$ 98,358	$ 159,132	$ 201,082	$ 223,842	11.3
Other Operating Revenue	214	325	159	(372)	2,590	2,178	(15.9)
Total Gas Operating Revenue	$ 31,444	$ 52,437	$ 98,517	$ 158,760	$ 203,672	$ 226,020	11.0
Expense Items:							
Natural Gas Purchased	$ 16,286	$ 25,926	$ 51,628	$ 81,995	$ 122,519	$ 134,952	10.1
Production Expense				264	934	262	(71.9)
Regulatory Commission Expense				71	56	52	(7.1)
Sales Promotion				1,258	1,165	1,393	19.6
Maintenance and Repair	708	960	1,909	3,629	4,183	4,410	5.4
Depreciation and Amortization	1,949	3,463	5,153	7,660	8,705	9,126	4.8
Other Expense	4,533	6,730	11,688	16,623	23,211	25,871	11.5
Total Operating Expense Before Taxes	$ 23,476	$ 37,079	$ 70,378	$ 111,500	$ 160,773	$ 176,066	9.5
State Taxes:							
Income Taxes	$ 235	$ 337	$ 655	$ 1,286	$ 827	$ 907	9.7
Gross Receipts Taxes				9,602	12,145	13,563	11.7
Property Taxes	2,334	4,490	8,289	2,750	2,793	2,898	3.8
Other Operating Taxes				66	102	186	82.4
Total State Taxes	$ 2,569	$ 4,827	$ 8,944	$ 13,704	$ 15,867	$ 17,554	10.6
Federal Taxes:							
Income Taxes	$ 2,002	$ 2,539	$ 4,512	$ 9,053	$ 4,683	$ 5,923	26.5
Prov. for Deferred Income Taxes				2,354	2,478	3,524	42.2
Income Taxes Deferred in Prior Years				(13)	(13)	(14)	7.7
Investment Tax Credits				208	798	865	8.4
Payroll, O.A.B. & Unemployment				866	1,046	1,031	(1.4)
Other Federal Taxes	148	200	1,118		4		—
Total Federal Taxes	$ 2,150	$ 2,739	$ 5,630	$ 12,468	$ 8,996	$ 11,329	25.9
Total State & Federal Taxes	$ 4,719	$ 7,566	$ 14,574	$ 26,172	$ 24,863	$ 28,883	16.2
Total Operating Expense	$ 28,195	$ 44,645	$ 84,952	$ 137,672	$ 185,636	$ 204,949	10.4
Net Operating Revenue	$ 3,249	$ 7,792	$ 13,565	$ 21,088	$ 18,036	$ 21,071	16.8
Other Income and Expenses:							
Other Income	$ 179	$ 234	$ 1,003	$ 438	$ 654	$ 214	(67.3)
Allow. for Funds Used During Construction				484	70	100	42.9
Deductions from Income				53	56	(414)	
Total Other Income and Expenses	$ 179	$ 234	$ 1,003	$ 869	$ 668	$ 728	9.0
Fixed Charges:							
Interest on Funded Debt	$ 2,611	$ 3,879	$ 6,428	$ 7,790	$ 8,160	$ 9,422	15.5
Other Fixed Charges	301	153	1,359	948	1,370	1,404	2.5
Total Fixed Charges	$ 2,912	$ 4,032	$ 7,787	$ 8,738	$ 9,530	$ 10,826	13.6
Net Income	$ 516	$ 3,994	$ 6,781	$ 13,219	$ 9,174	$ 10,973	19.6
Balance Sheet Items (N.C. Only):							
Utility Plant in Service	$ 84,127	$ 138,298	$ 220,298	$ 280,163	$ 310,877	$ 324,857	4.5
Depreciation Reserve	8,134	22,093	41,397	70,874	86,346	94,787	9.8
Net Plant in Service	$ 75,993	$ 116,205	$ 178,901	$ 209,289	$ 224,531	$ 230,070	2.5
Leased to Others				23	23	23	-0-
Held for Future Use				736	552	552	-0-
Construction Work in Progress				10,452	2,799	4,412	57.6
Acquisition Adjustment				(112)	(49)	(33)	(32.7)
Total Net Plant (Original Cost)	$ 75,993	$ 116,205	$ 178,901	$ 220,388	$ 227,856	$ 235,024	3.1
Balance Sheet Items (Systemwide):							
Long-Term Debt	$ 64,432	$ 94,565	$ 143,161	$ 146,661	$ 166,469	$ 159,481	(4.2)
Earned Surplus	$ 4,930	$ 9,442	$ 24,224	$ 48,294	$ 56,774	$ 59,414	4.7
Total Capitalization	$ 94,246	$ 143,994	$ 223,838	$ 258,189	$ 290,072	$ 285,067	(1.7)
Long-Term Debt % of Total Capitalization	68.4%	65.7%	64.0%	56.8%	57.4%	55.9%	(2.6)
Average No. of Common Shares Outstanding	4,197,010	5,442,710	6,155,856	7,115,386	7,329,533	7,403,722	1.0
Earnings Per Average Common Share Outstanding (After Preferred Dividends)	$ .04	$ .75	$ 1.24	$ 1.99	$ 1.49	$ 1.56	4.7
Customer & Miscellaneous Data (N.C. Data):							
Average Annual Use-Residential Customers (MCF)	81	93	116	95	100	106	6.0
Total Residential Customers (Average Annual Count)	88,509	145,080	208,712	255,339	267,629	276,273	3.2
Grand Total—All Types Customers	112,409	185,387	262,286	314,563	321,639	328,095	2.0
Average No. Full-Time Employees	1,113	1,410	1,851	1,764	1,765	1,796	1.8
Total Salaries & Wages Paid Employees (000's)	$ 5,209	$ 7,751	$ 13,539	$ 17,216	$ 20,804	$ 23,117	11.1
Average Annual Compensation per Employee (Actual)	$ 4,680	$ 5,497	$ 7,315	$ 9,760	$ 11,787	$ 12,872	9.2

VI. The Telephone Industry

THE TELEPHONE INDUSTRY

A. BRIEF REVIEW OF THE TELEPHONE INDUSTRY

General

At December 31, 1978, there were eighteen (18) Class A & B and four (4) Class C & D telephone companies under jurisdiction of the North Carolina Utilities Commission. Six (6) of the telephone companies under North Carolina jurisdiction also have operations in other states. (See Figure No. 38).

Following is a list of the Telephone Holding Companies and their wholly-owned or controlled operating telephone companies, which are under Commission regulation:

Parent Holding Company	Operating Telephone Company
American Tel. & Tel. Co.	Southern Bell Tel. & Tel. Co.
Continental Tel. Co.	Continental Tel. Co. of Virginia (Serves Knotts Island, N.C.)
	Westco Telephone Co.
	Western Carolina Tel. Co.
General Tel. & Electronics	Gen. Tel. Co. of the Southeast
Mid-Continent Tel. Co.	Mid-Carolina Tel. Co.
	Sandhill Tel. Co.*
United Telecommunications, Inc.	Carolina Tel. & Tel. Co.
	Norfolk Carolina Tel. Co.**

*P-53, Sub 41 — 6/28/78 — Docket concerning acquisition.

**P-40, Sub 146 — 1/24/78 — Docket concerning acquisition.

The operating telephone companies which are wholly-owned or controlled through a holding company generally purchase most of their supplies, equipment, and technical services through the parent company. These transactions between parent and subsidiary require Commission surveillance to guard against unfair practice, since the regular arms-length relationship does not exist between the parties.

Western Union Telegraph Company's rates on intrastate service are regulated by the Commission, but the Federal Communications Commission (FCC) rather than the Utilities Commission, has jurisdiction over the extension and abandonment of telegraph offices and services. The Utilities Commission receives notices of all proceedings initiated by Western Union, and is a proper party to these proceedings.

The telephone companies render both exchange service and toll service pursuant to tariffs containing rates and charges on file with, and approved by, the Utilities Commission.

Recent Trends

A series of events occurring in the past, including the Hush-a-phone case in the 1950's, the Carterfone decision in the late 1960's and the origination of the telephone registration program in November 1975 ordered by the Federal Communication Commission in its Docket 19528, has produced a new plate telephone regulatory environment. During 1977 and 1978 and presently several companies within the State are selling telephone terminal equipment directly to consumers.

The order in the FCC Docket 19528 required standard modular connectors to be installed for use with all single line telephone station sets. The case and newly established legitimacy of connecting a telephone station set to the nationwide telecommunication network under the registration program stimulated entry into terminal telephone equipment sales by outside competition. The telephone companies, on the other hand, initially opened stores (phone centers, phone marts, phone shops, etc.) to present and market their telephone wares to be rented rather than to be sold.

Sales of terminal equipment such as key telephone systems, private branch exchanges, etc., by telephone company competitors flourished during this period of regulatory climatical change resulting in the regulated telephone companies altering their policy of non-sales. Today both regulated telephone companies and their competitors provide equipment to the public which supplants past regulated services and which are now connected to the national switched telecommunications network.

B. CUSTOMER GROWTH AND IMPACT ON PLANT INVESTMENT

The regulated utilities had 3,823,170 telephones in service in North Carolina at December 31, 1978. The total number of telephones in service increased by 204,710 in 1977 for a gain of 6.0%, and by 188,237 in 1978 for a gain of 5.2%. Figure No. 38 shows increases in telephones by companies and Figure No. 39 shows the types of telephones in service for the years 1960, 1965, 1970, 1975, 1977-1978. The 1978 North Carolina rate of increase was 21.0% greater than the national growth rate. In 1977, the North Carolina growth rate exceeded the national rate by 33.3%. For almost two decades, new telephones have been installed in North Carolina at a rate greater than the national rate. Of total telephones provided by regulated utilities in the State, Southern Bell Telephone and Telegraph Company serves 54.5%, and Carolina Telephone and Telegraph Company serves 22.5%.

The installation of additional main station tele-

FIGURE NO. 38

THE TELEPHONE INDUSTRY
TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL TELEPHONES IN SERVICE, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1960, 1965, 1970, 1975-1978

	No. of Total Telephones in Service							
Class A & B	**1960**	**1965**	**1970**	**1975**	**1976**	**1977**	**1978**	**% Increase (Decrease) 1978/1977**
Carolina Tel. & Tel. Co.[1]	230,803	329,538	500,128	739,169	781,630	818,295	863,071	5.5
Central Telephone Co.[2]	74,072	101,508	142,461	191,600	201,863	215,958	230,310	6.6
Citizens Telephone Co.	3,462	5,919	8,704	12,133	12,805	13,603	14,640	7.6
Concord Telephone Co.	34,992	44,308	56,365	72,353	76,492	79,738	84,127	5.5
Ellerbe Telephone Co.	574	743	1,084	1,535	1,631	1,756	1,914	9.0
General Tel. Co. of the Southeast[3]	43,943	65,363	97,469	124,839	129,867	135,776	144,074	6.1
Heins Telephone Co.	8,284	11,267	15,825	22,130	23,803	24,949	26,662	6.9
Lexington Telephone Co.	9,049	12,006	17,082	22,248	23,266	24,492	25,815	5.4
Mebane Home Telephone Co.	1,903	2,571	3,665	5,502	5,646	5,950	6,080	2.2
Mid-Carolina Telephone Co.[4]	21,830	33,016	51,810	77,742	84,458	90,810	97,616	7.5
Norfolk & Carolina Tel. & Tel. Co.	13,913	18,757	27,062	40,295	40,384	43,147	46,352	7.4
North State Telephone Co.	37,221	48,237	64,662	86,473	92,366	97,449	103,253	6.0
Pineville Telephone Co.[6]	—	—	—	—	1,791	1,853	1,938	4.6
Randolph Telephone Co.	1,026	1,398	2,104	2,847	3,027	3,191	3,398	6.5
Sandhill Telephone Co.	1,341	1,743	2,526	3,624	3,987	4,316	4,666	8.1
Southern Bell Tel. & Tel. Co.[5]	670,413	886,620	1,253,681	1,763,783	1,873,366	1,995,035	2,085,128	4.5
Westco Telephone Co.	—	8,709	16,881	24,645	26,203	27,813	29,618	6.5
Western Carolina Tel. Co.[7]	16,216	15,489	27,496	42,181	44,702	47,643	51,088	7.2
Totals: Class A & B	1,169,042	1,587,192	2,289,005	3,233,099	3,427,287	3,631,774	3,819,750	5.2
Class C & D								
Barnardsville Telephone Co.	186	293	354	613	664	685	724	5.7
Continental Tel. Co. of Virginia	42	48	184	339	370	376	408	8.5
Saluda Mountain Tel. Co.	290	373	520	833	901	1,005	1,110	10.4
Service Telephone Co.	367	468	600	915	1,001	1,093	1,178	7.8
Totals: Class C & D	885	1,182	1,658	2,700	2,936	3,159	3,420	8.3
Grand Totals*	1,169,927	1,588,374	2,290,663	3,235,799	3,430,223	3,634,933	3,823,170	5.2
United States Totals[8]	77,813,000	93,659,000	120,783,300	148,623,000	155,172,000	162,072,000	169,027,000	4.3
*Includes Special Service & Private Lines as follows:	22,903	27,216	28,752	41,155	46,926	36,449	36,766	.9

[1] United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company, November 1, 1978. All figures for United for the period 1960-1978 are included in Carolina.

[2] Morris Telephone Company merged with Central Telephone Company, November 4, 1965. All figures for Morris for 1965 and prior are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior are included in Central.

[3] General Telephone of North Carolina merged with General Telephone of the Southeast, December 21, 1970. All figures for 1970 and prior for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4] Lilesville Telephone Company merged with North Carolina Telephone Company, December 31, 1968. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal Belt Telephone companies merged into Mid-Carolina Telephone Company, December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company, North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company, September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina.

[5] Chapel Hill Telephone Company came under Commission jurisdiction on January 1, 1973, and sold to Southern Bell Telephone and Telegraph Company, April 1, 1977. All figures for 1976 and prior are included in Southern Bell.

[6] Pineville Telephone Company came under Commission jurisdiction, January 1, 1976. (Docket No. P-120, Sub 1).

[7] Cooleemee Telephone Company merged with Western Carolina Telephone Company, January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation on May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8] Reference: Independent Telephone Statistics, U.S. Independent Telephone Association.

N/A — Not Available
W/A — Weighted Average
S/A — Simple Average

FIGURE NO. 38—Continued

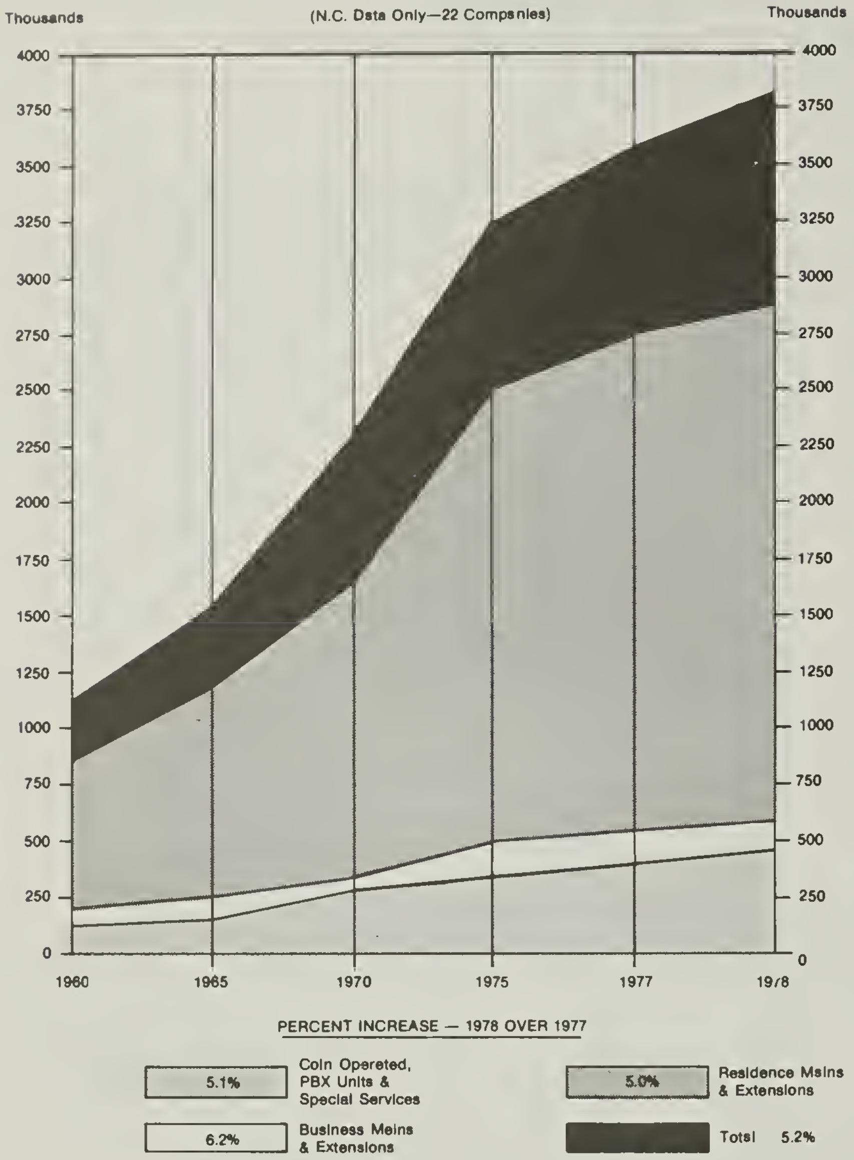
THE TELEPHONE INDUSTRY
TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL TELEPHONES IN SERVICE, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1960, 1965, 1970, 1975-1978

No. of Exchanges						Telephone Density Data							
						No. Phones Per 100 Population		No. Phones Per Square Mile Area		% Households In Area Served Having Phones		Average No. Employees Per Company	
1965	1970	1975	1976	1977	1978	1977	1978	1977	1978	1977	1978	1977	1978
126	127	128	128	128	128	51	53	45	48	89	86	4,426	4,879
39	35	43	43	43	43	44	53	69	74	86	91	1,135	1,135
3	3	4	4	4	4	68	68	36	39	90	92	50	57
9	9	9	9	9	9	61	64	113	119	95	95	323	324
1	1	1	1	1	1	56	55	6	7	89	80	7	9
5	5	5	5	5	5	62	64	170	180	93	94	1,407	1,510
3	3	3	3	3	3	57	61	53	57	94	97	153	156
3	3	3	3	3	3	50	53	118	124	85	90	160	167
1	1	1	1	1	1	39	40	20	40	70	75	21	22
24	26	26	26	26	26	37	35	44	44	87	87	279	289
11	16	18	18	18	18	55	59	22	24	75	80	314	308
3	3	3	3	3	3	52	52	167	176	85	86	477	484
—	—	—	1	1	1	89	89	1,853	1,892	95	98	13	15
1	1	1	1	1	1	45	49	38	41	87	87	11	12
2	2	2	2	2	2	71	73	83	89	98	98	10	10
92	93	94	94	95	95	77	79	165	173	87	87	9,503	10,094
13	15	15	15	15	15	36	37	13	14	76	76	—0—	—0—
13	12	12	12	12	11	41	41	26	26	84	84	410	411
349	355	368	369	370	369	61.5% W/A	64.3% W/A	80.6% W/A	85.1% W/A	86 S/A	88 S/A		
Class C & D													
1	1	1	1	1	1	42	42	5	6	85	85	3	3
1	1	1	1	1	1	29	28	25	25	60	60	N/A	N/A
1	1	1	1	1	1	84	85	15	14	75	80	4	4
1	1	1	1	1	1	44	44	31	34	78	80	6	7
4	4	4	4	4	4	47.8% W/A	47.5% W/A	12.9% W/A	14.0% W/A	75 S/A	76 S/A	13	
353	359	372	373	374	373	61.5% W/A	64.3% W/A	80.3% W/A	84.7% W/A	85 S/A	86 S/A		

FIGURE NO. 39

TELEPHONES IN SERVICE
AS OF DECEMBER 31, FOR YEARS SHOWN

(N.C. Data Only—22 Companies)



phones require additional investment. For example, in installing an additional instrument, provisions must be made for central office equipment, circuits, and lines adequate to the traffic potential of the installation. The telephone companies attempt to maintain a plant margin of reserve for growth and maintenance for at least six (6) to eighteen (18) months for central office equipment. For either types of plant the companies strive for a margin of reserve of greater duration depending on the type of construction and the economics involved in such construction. The telephone company generally attempts to engineer for a three-year growth in outside cable plant facilities and for a one-to-two year growth factor in central office equipment. Unlike other industries, increased volume and increased installations do not necessarily mean increased profits for the telephone utilities. In many instances, increased volume can mean less net earnings where the unit cost of servicing the investment exceeds additional unit revenue derived. This is particularly true in sparsely populated areas requiring high investment per station. The same unit profit squeeze may also be evident in meeting demands for higher grades of service; for example, because of rate differential, where a subscriber who had been receiving four-party service asks for and receives a one-party service, the increased revenue per unit may not keep pace with the additional investment and expense.

C. DEMANDS FOR SERVICE

The telephone companies in North Carolina for several years have been faced with an enormous challenge in meeting demands for service. However, as more and more telephone service is extended throughout the state, the overall problem changes somewhat from satisfying demands for service, on which the Commission and the companies have placed special emphasis, to satisfying demands for better quality and upgraded service.

D. EXTENDED AREA SERVICE (EAS)

Extended Area Service is the industry term applied to the extension of local calling from one telephone exchange to and from another when a toll charge has theretofore applied between them. Extended area coverage was approved for three (3) telephone companies in 1976, one (1) was approved in 1977, and three (3) were approved in 1978.

E. TELEPHONE RATES — COMMENTS

Local Exchange Rates. These are the monthly charges for basic telephone service as fixed by the Commission. These rates are divided between residential and commercial telephones and are graduated upward from four-party to single-party service. Local exchange rates for a particular company are fixed on a company-wide basis according to the calling scope of the particular exchange; i.e., the number of main stations and PBX trunks in an exchange which a single subscriber may telephone without toll charge. These rate groupings are not standard among the companies. Figure No. 41 shows rate groupings with rates for the regulated telephone companies.

The practical result of the foregoing "value of service principle" is that a company's subscribers in an urban area will pay a higher monthly local exchange rate than the same company's subscribers in a community having a substantially smaller number of telephones that can be called without a toll charge. Thus, unlike electric and natural gas utilities which have standard rates applicable to a customer classification company-wide, the telephone companies have different rates for basic service depending upon the telephone population or calling scope in the particular exchange. Telephone rates also vary substantially between companies and states. Figure No. 40 shows local service telephone monthly rates for selected exchanges in North Carolina and selected out-of-state exchanges. The out-of-state companies shown were selected mainly because of exchange

FIGURE NO. 40

LOCAL SERVICE TELEPHONE MONTHLY RATES SELECTED EXCHANGES SERVING CITIES OF 50,000 POPULATION OR MORE (1970 CENSUS) IN EFFECT JUNE 30, 1978

COMPANY	EXCHANGE AND/OR CITY	STATE	MONTHLY FLAT RATES 1-PARTY SERVICE	
			Business	Residence
Central Telephone Co.	Las Vegas	Nevada	$17.80	$ 7.15
Chesapeake & Potomac Tel. Co. of U.S.	Lynchburg	Virginia	19.25	8.05
Diamond State Tel. Co.	Wilmington	Delaware	21.35	8.95
General Tel. Co. of California	San Bernardino	California	12.80	5.65
General Tel. Co. of Indiana, Inc.	Terre Haute	Indiana	28.70	11.00
General Tel. Co. of Kentucky	Lexington	Kentucky	23.11	8.56
General Tel. Co. of the Southeast	Durham	N.C.	23.70	9.45
Lincoln Tel. & Tel. Co.	Lincoln	Nebraska	26.75	8.35
Loraine Telephone Co., The	Loraine	Ohio	18.20	8.60
Michigan Bell Telephone Co.	Jackson	Michigan	13.05	6.69
Mountain States Tel. & Tel. Co.	Tucson	Arizona	19.00	8.85
New England Tel. & Tel. Co.	Portland	Maine	25.60	9.30
New York Telephone Co.	Syracuse	New York	28.42	10.37
North State Telephone Co.	High Point	N.C.	9.50	4.50
Northeastern Bell Tel. Co.	Council Bluffs	Iowa	21.35	9.10
Pacific Northwest Bell Tel. Co.	Salem	Oregon	19.60	7.75
Pacific Tel. & Tel. Co., Inc.	Riverside	California	14.55	5.70
South Central Bell Tel. Co.	Gadsden	Alabama	28.40	10.10
Southern Bell Tel. & Tel. Co.	Asheville	N.C.	20.50	8.20
Southern Bell Tel. & Tel. Co.	Charlotte	N.C.	22.40	8.80
Southern Bell Tel. & Tel. Co.	Greensboro	N.C.	21.10	8.40
Southern Bell Tel. & Tel. Co.	Raleigh	N.C.	21.70	8.60
Southern Bell Tel. & Tel. Co.	Winston-Salem	N.C.	21.10	8.40
Southern New England Tel. Co.	Bridgeport	Conn.	24.36	8.12
Southwestern Bell Tel. Co.	Corpus Christi	Texas	14.00	6.00
Wisconsin Telephone Co.	Green Bay	Wisconsin	20.25	8.15

Source: NARUC Booklet "Exchange Service Telephone Rates," June, 1978

sizes and population comparable to North Carolina. This data permits very few, if any, reasonable comparisons. It does illustrate the wide disparities in rates between companies and states.

Toll Charges. Calls between two separate exchanges are "long distance" or toll charge calls, unless arrangements have been made for extended area (toll free) service. Intrastate toll charges in North Carolina are uniform throughout the state. See Figure No. 42

Five- and Multi-Party Services. During 1977, the number of five- and multi-party services in the state was reduced from 46 to 595 to -0- and 459 respectively. During 1978, this number was further reduced to -0- and 46 respectively.

Service Charges. These are the charges made for installing, moving, and changing telephone instruments. These charges have been increased for some companies in the past few years in rate cases to make them more cost-related. Below are some typical charges by selected companies for various services relating to installing a telephone:

Charges for Various Telephone Installation Services Currently in Effect July 1, 1980

	Carolina		Citizens		Southern Bell	
	Residence	Business	Residence	Business	Residence	Business
Service Order	11.00	17.00	9.60	14.70	11.35	17.40
Premises Visit	3.50	3.50	4.55	4.55	6.35	6.35
Central Office Work	3.00	3.50	4.40	4.80	6.85	8.35
Line Work	4.00	4.00	—	—	—	—
Inside Wiring	4.35	5.15	3.50	4.40	5.40	8.05
Jack	2.00	2.00	2.70	2.70	3.45	3.45
Equipment Work	1.50	1.75	2.55	3.60	3.35	4.50
TOTALS*	29.35	36.90	27.30	34.75	36.75	48.10

Charges for Various Telephone Installation Services—Continued
Currently in Effect July 1, 1980

	Heins		Ellerbe		West. Caro.-Westco	
Service Order	12.00	14.00	12.00	14.00	9.50	15.25
Premises Visit	5.00	6.00	5.00	6.00	3.50	6.00
Central Office Work	3.00	3.00	3.00	3.00	3.00	3.00
Line Work	—	—	—	—	7.50	9.50
Inside Wiring	6.00	9.00	4.00	7.00	4.50	7.90
Jack	—	—	2.00	2.00	2.00	2.00
Equipment Work	2.00	2.00	2.00	2.00	1.50	1.75
TOTALS*	28.00	34.00	28.00	34.00	31.50	45.40

---

*These are typical charges made for the installation of one main station at a new location.

Special Charges. Certain special equipment, such as key systems and private branch exchanges systems, require special rates and special consideration by the Commission. These rates are fixed individually on a case-by-case and company-by-company basis and vary widely because of variances in equipment and operating characteristics.

F. RATE INCREASES APPROVED

During 1977 and 1978, as in the past, much time was required in formal hearings for telephone companies. Preparation and actual hearing time effort associated with the general rate case proceedings increased the Commission workload more than any other single telephone matter.

There was action taken on the following general rate increases during 1977 and 1978:

THE TELEPHONE INDUSTRY
Rate Increases Approved Calendar Years 1977 and 1978

Company	Date Filed	Docket Number	Amount Requested	Amount Approved Undertaking	Final	Refund	Date of Final Order
1977							
Concord Telephone Co.	8-09-76	P-16, Sub 130	$ 1,300,000		$ 1,226,000		3-18-77
Mebane Home Telephone Co.	8-13-76	P-35, Sub 64	340,000		151,000		3-04-77
Mid-Carolina Telephone Co.	6-30-76	P-118, Sub 7	591,000		569,000		2-01-77
Norfolk & Carolina Tel. Co.	7-16-76	P-40, Sub 141	713,000		529,000		3-01-77
North Carolina Telephone Co.	8-31-76	P-70, Sub 120	749,000		627,000		3-04-77
Oldtown Telephone Co.	8-02-76	P-44, Sub 77	632,000		489,000		3-01-77
1978							
Central Telephone Co.	6-20-77	P-10, Sub 369	$ 5,550,000		$ 2,816,000		4-11-78
Southern Bell Tel. & Tel. Co.	8-18-77	P-55, Sub 768	62,108,000		28,693,000		3-24-78
United Tel. of the Carolinas, Inc.	8-08-77	P-9, Sub 138	1,441,000		1,441,000[1]		3-20-78
Barnardsville Telephone Co.	9-07-77	P-100, Sub 45[2]	2,857	$ 2,857	2,857		10-05-78
Citizens Telephone Co.	9-07-77	"	114,111	114,111	114,111		10-05-78
Ellerbe Telephone Co.	9-07-77	"	4,060	4,060	4,060		10-05-78
General Tel. Co. of the SE	9-07-77	"	1,638,045	1,638,045	409,539	$1,228,506	10-05-78
Heins Telephone Co.	9-07-77	"	248,468	248,468	191,570	56,898	10-05-78
North Carolina Telephone Co.[3]	9-07-77	"	331,290	331,290	331,290		10-05-78
Oldtown Telephone Co.[4]	9-07-77	"	99,387	99,387	19,237	80,150	10-05-78
Randolph Telephone Co.	9-07-77	"	8,639	8,639	8,639		10-05-78
Saluda Mt. Telephone Co.	9-07-77	"	1,263	1,263	1,263		10-05-78
Service Telephone Co.	9-07-77	"	3,461	3,461	3,461		10-05-78
Westco Telephone Co.	9-07-77	"	453,683	453,683	238,382	215,301	10-05-78
Western Carolina Tel. Co.	9-07-77	"	880,679	880,683	844,196	36,483	10-05-78

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[1] Rate increase was to raise rates up to those of Carolina Tel. & Tel. Co., with which United merged on November 1, 1978.

[2] P-100, Sub 45 — Investigation of Intrastate long distance, WATS, and Inter-exchange Private Line Rates of all telephone companies under the jurisdiction of the Commission. Companies listed here were allowed to retail the Intrastate toll increase or only partially flow-through the Intrastate toll service increases to local service revenues. All other companies except Southern Bell, Carolina, Central, and United, which had general rate cases in progress, flowed through the entire increase in toll revenues as a reduction to local service revenues.

[3] Merged into Mid-Carolina Telephone Co. on September 30, 1977.

[4] Undertaking — A full or partial increase placed into effect by the utility pursuant to G.S. 62-135, which is under bond and subject to refund.

G. WESTERN UNION OFFICES

In recent years, as large businesses made growing use of their telex and TWX terminal capability for originating telegrams and as smaller businesses and the general public increasingly availed themselves of telephone convenience for sending their telegrams, the need for Western Union local offices steadily declined in the United States and in North Carolina. Today, less than 10% of public message traffic is accepted over the counter; and most of that traffic is money order business.

This customer usage pattern resulted in the gradual reduction in the number of telegraph company-owned and operated offices from more than 3,000 in the 1940's to fewer than 200 by the end of 1978 in North Carolina. The following illustrates the number of Western Union offices in the United States and in North Carolina:

	United States		North Carolina	
	1977	1978	1977	1978
Independent Offices and Branches	193	187	5	5
Joint Offices	—0—	—0—	—0—	—0—
Agency Offices	5,019	4,927	168	175
TOTAL	5,112	5,114	173	180

H. SOURCE AND DISPOSITION OF REVENUES — COMMENTS

The telephone companies derived about 44.2% of their revenues from local charges, 52.7% from toll charges, and 3.1% from miscellaneous services in 1978. These ratios have not changed drastically on a year-to-year basis, but the long-term trend as shown on Figure No. 44 shows that toll revenue is producing an increased percentage of total revenue; the trend being 41.1% in 1960, 43.8% in 1965, 47.6% in 1970, 49.5% in 1975, 49.9% in 1977, and 52.7% in 1978.

The components of the disposition of the revenue dollar as shown on Figure No. 44 indicates that all the components (operating expenses, depreciation, taxes, interest, and dividends) increased, however, the revenues increased faster and this resulted in an increase in retained earnings from .91% in 1977 to 2.1% of the revenue dollar in 1978.

I. PLANT INVESTMENT — COMMENTS

The regulated telephone companies increased their gross plant investment in North Carolina 8.4% in 1975, 9.5% in 1976, 9.2% in 1977, and 9.6% in 1978. These increases represent investments of $178 million in 1975, $220 million in 1976, $231 million in 1977, and brings the total gross investment at December 31, 1978, to $3,024,315 or to $799 per telephone based on year-end count.

Figure No. 46 shows investment per telephone for the years 1960, 1965, 1970, 1975, 1977, and 1978 on a North Carolina industry-wide basis. Figure No. 45 shows the same data for each of the regulated telephone companies operating in North Carolina. The investment per telephone data as shown on Figure No. 45 indicates the variances in this important cost element of providing telephone service, and these variances in plant cost contribute to the variances in telephone rates between companies.

J. STATISTICAL SUMMARY DATA

Total operating revenue of the telephone companies increased in 1978 over 1977 by 15.9%. Operating expenses increased by 15.4% in 1978 over 1977, and net operating revenue increased by 18.2% for the same period. Salaries and wages increased by 14.8% in 1978 over 1977 as compared with 11.9% for 1977 over 1976. Total salaries and wages paid by the telephone companies in 1978 were almost $314 million as compared with $273 million in 1977, while total average number of employees increased to 19,896 in 1978 from 19,039 in 1977, or 4.5%. A detailed account of these and other selected items is shown in Figure No. 47.

FIGURE NO. 41

TELEPHONE RATES
MONTHLY FLAT RATES BY CALLING SCOPE GROUPINGS FOR ONE-PARTY BUSINESS AND RESIDENTIAL SERVICE AS OF DECEMBER 31, 1978

CALLING SCOPE[1] AND RELATED MONTHLY FLAT RATES

	1-500		500-1,000		1,001-2,000		2,001-4,000		4,001-8,000		8,001-16,000		16,001-32,000		32,001-50,000		50,001-100,000		100,000-Up	
Class A & B	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.
Carolina Tel. & Tel. Co.[2]			12.25	4.90	13.50	5.40	14.75	5.90	16.15	6.45	17.60	7.05	19.25	7.70	20.10	8.05	22.00	8.80		
(former United Tel. of the Car., Inc.)[2]					18.40	7.55	19.65	8.05	21.05	8.60	22.50	9.20	24.15	9.85	25.00	10.20	26.90	10.95	27.90	11.35
Central Telephone Co.									24.30	9.60	25.80	10.20	26.30	10.40	26.80	10.60	27.00	11.00		
Citizens Telephone Co.									20.85	8.00										
Concord Telephone Co.											19.20	7.50	21.00	8.20					25.30	9.35
Ellerbe Telephone Co.					9.40	5.65														
General Tel. Co. of the S.E.											22.55	9.15			25.05	10.00			30.70	
Heins Telephone Co.											16.25	7.10								
Lexington Telephone Co.											15.90	6.35								
Mebane Home Telephone Co.															21.65	8.65				
Mid-Carolina Telephone Co.[3]					19.50	7.80	20.00	8.00	20.50	7.20	21.00	8.40	21.50	8.60						
(former N.C. Telephone Co.)[3]									22.40	9.40	22.85	9.50	23.30	9.70	25.15	10.50			27.35	10.50
(former Oldtown Tel. System, Inc.)[3]																			21.50	8.65
Norfolk & Car. Tel. & Tel. Co.					16.30	7.15	17.25	7.55	18.75	7.90	20.35	8.35	21.95	8.80						
North State Telephone Co.											6.65	3.30			9.50	4.50				
Pineville Telephone Co.			9.80	4.75																
Randolph Telephone Co.																	16.50	6.60		
Sandhill Telephone Co.									8.50	4.50	12.75	6.25								
Southern Bell Tel. & Tel. Co.							17.50	7.00	17.50	7.00	18.00	7.20	18.50	7.40	19.50	7.80	21.10	8.40	22.40	8.80
Westco Telephone Co.							23.70	9.55	24.60	9.90	25.55	10.30	26.50	10.70	27.45	11.10				
Western Carolina Tel. Co.							30.40	12.10	31.40	12.50	32.40	12.90	33.40	13.30	34.40	13.70				
Class C & D																				
Barnardsville Tel. Co.	5.00	3.50																		
Continental Tel. Co. of Va.																			24.25	14.00
Saluda Mountain Tel. Co.													9.00	6.10						
Service Telephone Co.							13.35	6.75												

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[1] "Calling Scope" is the number of main station telephone and PBX trunks that can be called without paying a toll charge. The above rates are applicable to customers being served from exchanges having a total number of main stations and PBX trunks within the ranges indicated.

[2] United Tel. Co. of the Carolinas, Inc., merged with Carolina Tel. & Tel. Co. November 1, 1978.

[3] N.C. Telephone Co. and Oldtown Telephone System, Inc., were merged into Mid-Carolina Tel. Co., September 30, 1977.

FIGURE NO. 42

NORTH CAROLINA INTRASTATE TELEPHONE TOLL RATES IN EFFECT DECEMBER 31, 1978

	Initial Period			Additional Minutes
	Day	All Days, All Hours		Day
	Dial	Operator		All
	Station-to-Station	Station-to-Station	Person-to-Person	Classes of Service
Rate Mileage	Initial 1 Minute	Initial 3 Minutes	Initial 3 Minutes	Each Additional Minute
0- 10	$.18	$ .55	$ .95	$.11
11- 16	.22	.75	1.15	.14
17- 22	.25	1.00	1.35	.17
23- 30	.30	1.10	1.55	.20
31- 40	.33	1.20	1.70	.23
41- 55	.37	1.35	1.90	.26
56- 70	.40	1.40	2.05	.30
71-124	.44	1.50	2.20	.32
125-196	.49	1.55	2.45	.34
197-292	.52	1.60	2.60	.36
293-354	.55	1.65	2.65	.37
355-544	.58	1.70	2.70	.38

(2) Rate Discounts and Application Periods

	MON	TUES	WED	THURS	FRI	SAT	SUN
8:00 AM to 12:00Noon	Day Rate Period FULL RATE						
12:00Noon to 1:00 PM	Daytime Savings Rate Period 25% Discount						
1:00 PM to 5:00 PM	Day Rate Period FULL RATE						
5:00 PM to 11:00 PM	Evening Rate Period 25% Discount						Eve 25%
11:00 PM to 8:00 AM	Night & Weekend Rate Period 50% Discount						

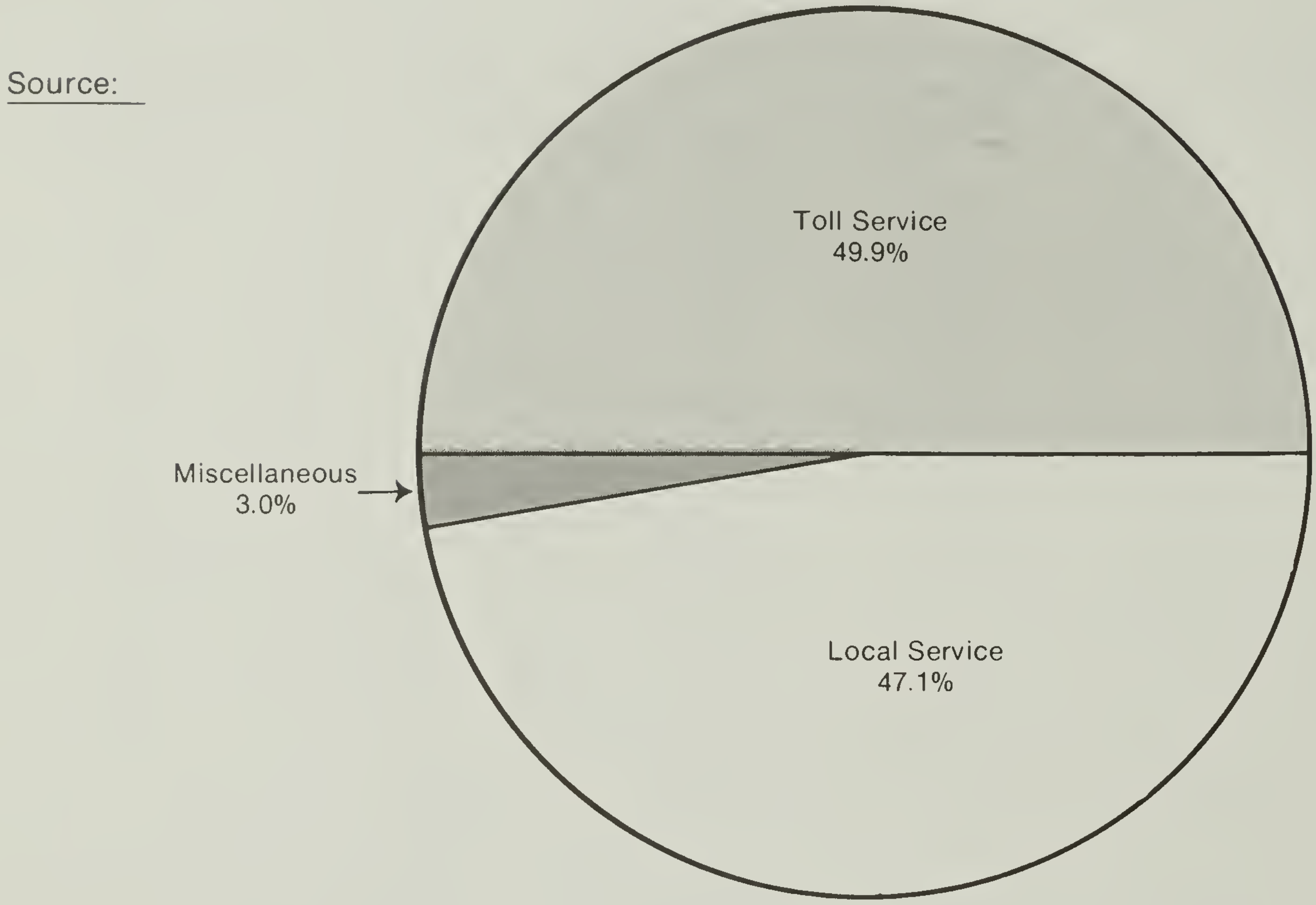
DISCOUNTS

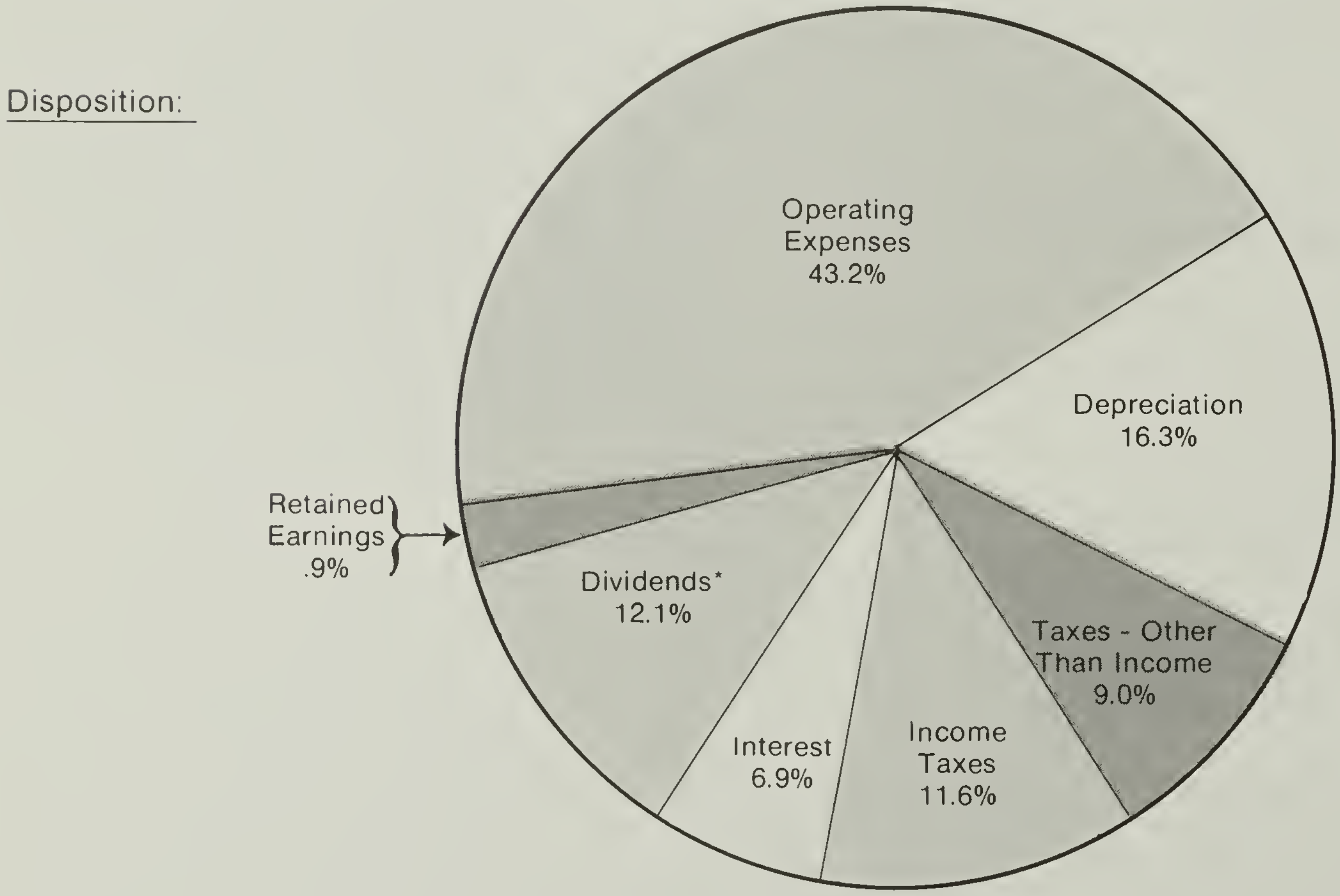
Discounts apply to total charges for Dial Station-to-Station messages and to total Additional Minute Charges only for operator Station-to-Station and Person-to-Person messages with total fractional amounts rounded down to the lower cent.

FIGURE NO. 43

SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
TELEPHONE COMPANIES
NORTH CAROLINA OPERATIONS ONLY

December 31, 1977





TOTAL REVENUES—100.0%

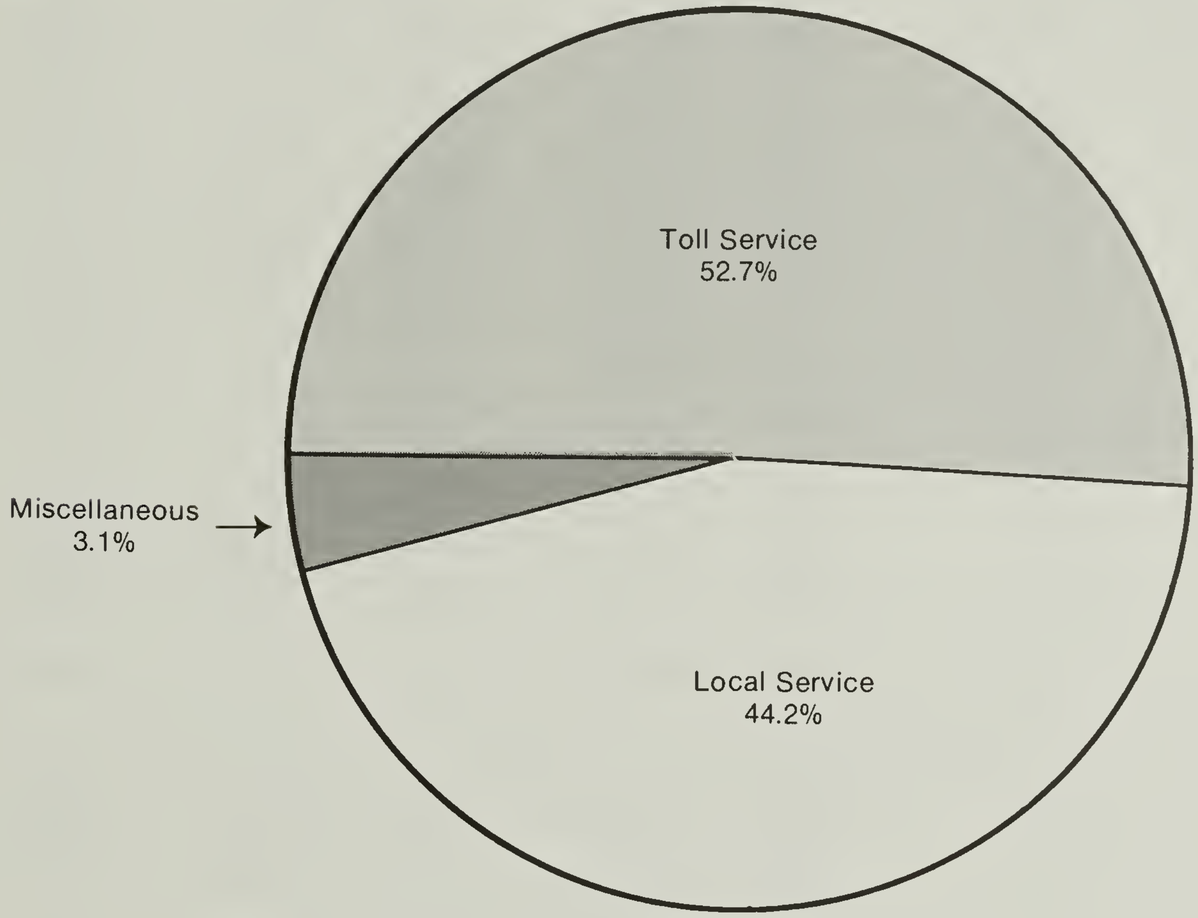
* Retained Earnings and Dividends per revenue dollar have no relation to the rate of return earned on investment.

FIGURE NO. 44

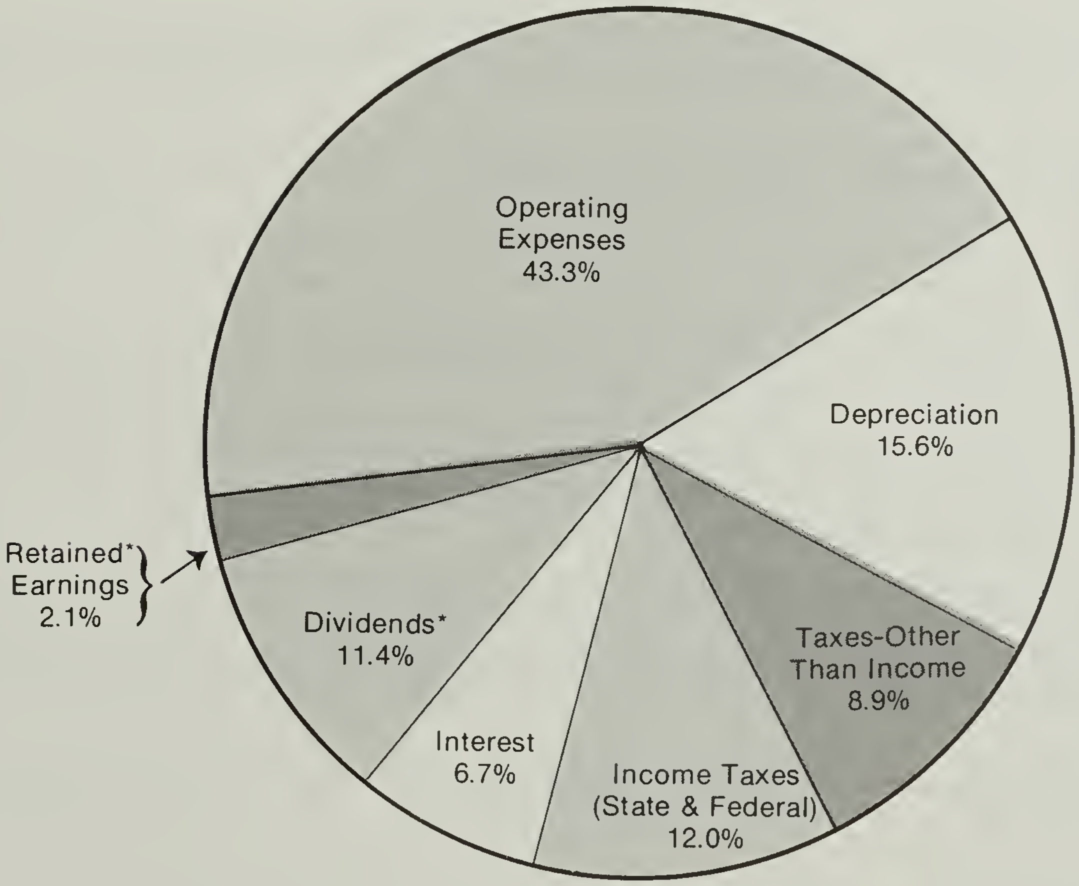
SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
TELEPHONE COMPANIES
NORTH CAROLINA OPERATIONS ONLY

December 31, 1978

Source:



Disposition:



TOTAL REVENUES—100.0%

* Retained Earnings and Dividends per revenue dollar have no relation to the rate of return earned on investment.

FIGURE NO. 45

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS
For the Years Ended December 31, 1960, 1965, 1970, 1975, 1977-1978

	1960		1965		1970	
	Per Phone		Per Phone		Per Phone	
Class A & B	Gross	Net	Gross	Net	Gross	Net
Carolina Tel. & Tel. Co.[1]	$513.52	$396.01	$ 556.81	$ 413.31	$680.30	$525.46
Central Telephone Co.[2]	316.53	260.39	390.58	327.98	522.00	435.31
Citizens Telephone Co.	329.67	266.91	571.56	504.86	776.13	635.82
Concord Telephone Co.	257.23	202.84	334.96	255.36	423.13	308.78
Ellerbe Telephone Co.	255.54	172.57	298.47	175.20	692.04	558.44
General Tel. Co. of the Southeast[3]	267.08	203.13	373.86	291.40	739.30	624.61
Heins Telephone Co.	288.50	234.78	493.96	423.84	481.92	372.04
Lexington Telephone Co.	296.62	219.02	364.05	255.03	533.50	406.36
Mebane Home Telephone Co.	312.66	249.08	512.68	404.24	693.07	510.94
Mid-Carolina Telephone Co.[4]	408.29	336.02	498.84	387.07	620.06	495.66
Norfolk & Carolina Tel. & Tel. Co.	357.71	264.22	483.36	361.58	587.25	435.53
North State Telephone Co.	246.17	174.57	320.64	224.04	394.86	272.55
Pineville Telephone Co.[5]	—	—	—	—	—	—
Randolph Telephone Co.	381.87	339.66	694.71	590.75	824.89	654.17
Sandhill Telephone Co.	307.32	227.47	445.62	323.25	586.88	400.88
Southern Bell Tel. & Tel. Co.[6]	364.67	294.08	419.57	330.63	507.07	396.48
Westco Telephone Co.	N/A	N/A	688.60	596.70	828.30	731.61
Western Carolina Tel. Co.[7]	451.24	360.17	542.67	411.53	831.06	728.96
Totals — Class A & B	$375.91	$298.32	$ 442.36	$ 343.77	561.60	$441.48
Class C & D						
Barnardsville Telephone Co.	$236.55	$191.39	$ 197.81	$ 139.07	$266.02	$167.45
Continental Tel. Co. of Virginia	328.02	200.29	1,353.02	1,157.81	870.64	724.34
Saluda Mountain Tel. Co.	N/A	N/A	79.42	29.31	284.57	199.14
Service Telephone Co.	342.67	302.13	317.18	231.85	417.71	301.35
Totals — Class C & D	$217.72	$183.74	$ 265.67	$ 190.43	$393.83	$287.65
Grand Totals	$375.77	$298.22	$ 442.23	$ 343.65	$561.47	$441.36

[1] United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company, November 1, 1978. All figures for United Telephone Company of the Carolinas, Inc., for the period 1960-1978 are included in Carolina Telephone and Telegraph Company.

[2] Morris Telephone Company merged with Central Telephone Company, November 4, 1965. All figures for Morris for 1965 and prior are included in Central. Lee Telephone Company merged with Central, March 6, 1973. All figures for Lee for 1973 and prior are included in Central.

[3] General Telephone of North Carolina merged with General Telephone of the Southeast, December 21, 1970. All figures for 1970 and prior for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4] Lilesville Telephone Company merged with North Carolina Telephone Company, December 31, 1968, and Denton Telephone Company merged with North Carolina Telephone Company in 1970. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal-Belt Telephone companies merged into Mid-Carolina Telephone Company, December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company for years prior to 1974. Mid-Carolina Telephone Company, North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company, September 30, 1977. All figures for merged companies for 1977 and prior are included in Mid-Carolina Telephone Company.

[5] Pineville Telephone Company came under Commission jurisdiction January 1, 1976.

[6] Chapel Hill Telephone Company came under Commission jurisdiction January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company, April 1, 1977. All figures for Chapel Hill Telephone Company for 1976 and prior are included in Southern Bell.

[7] Cooleemee Telephone Company merged with Western Carolina Telephone Company, January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation, May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

N/A — Not Available

NOTE: Per phone data for all years shown is based on number of regular telephones (excluding service and private) in service at end of year.

FIGURE NO. 45—Continued

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS
For the Years Ended December 31, 1960, 1965, 1970, 1975, 1977-1978

1975 Per Phone		1977 Per Phone		1978 Per Phone		1978 Total Plant (000's)		1978-1977 % Change Per Phone	
Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
$ 820.89	$625.35	$ 858.26	$637.89	$ 887.11	$658.01	$ 737,581	$ 547,101	3.4%	3.2%
762.60	637.96	806.38	634.99	812.95	672.09	187,205	154,768	.8	5.8
892.07	655.20	944.61	675.88	932.00	643.48	13,644	9,421	(1.3)	(4.8)
545.97	395.38	550.78	373.97	566.12	379.43	47,626	31,920	2.8	1.5
734.83	536.56	712.96	489.86	1,035.10	805.04	1,981	1,541	45.2	64.3
852.47	691.42	917.33	706.68	954.64	719.39	137,417	103,554	4.1	1.8
732.37	571.79	733.93	538.55	738.95	526.83	19,702	14,046	.7	(2.2)
629.94	465.22	661.01	471.36	674.41	479.61	17,410	12,381	2.0	1.8
840.11	601.54	924.92	692.57	933.10	662.35	5,673	4,027	.9	(4.4)
680.98	515.00	677.32	503.49	698.22	524.93	68,158	51,241	3.1	4.3
765.51	570.03	848.41	609.87	886.35	632.03	41,084	29,296	4.5	3.6
470.66	317 94	523.05	356.48	528.99	353.86	53,581	35,842	1.1	(.7)
—	—	526.71	296.42	503.61	280.53	976	544	(4.4)	(5.4)
796.77	562.67	819.97	568.03	883.54	612.98	3,002	2,083	7.8	7.9
622.20	367.70	634.34	369.19	628.72	360.24	2,934	1,681	(.9)	(2.4)
688.37	427.29	725.87	592.50	766.87	625.72	1,596,715	1,302,820	5.6	5.6
991.65	843.52	1,055.43	853.36	1,065.78	862.88	31,566	25,557	1.0	1.1
1,047.94	926.71	1,086.17	917.73	1,088.43	915.49	55,606	46,771	.2	(.2)
$ 722.32	$576.20	$ 766.65	$603.09	$ 798.80	$627.70	$3,021,861	$2,374,594	4.2	4.1
$ 322.13	$226.67	$ 350.88	$246.88	$ 845.33	$723.93	$ 612	$ 524	140.9	193.2
946.89	764.08	1,027.70	803.86	992.64	817.19	405	333	(3.4)	1.7
401.96	302.68	409.95	296.77	392.86	273.55	436	304	(4.2)	(7.8)
955.67	811.33	904.50	761.79	849.36	690.76	1,001	814	(6.1)	(9.3)
$ 639.90	$515.73	$ 642.43	$507.79	$ 717.44	$577.45	$ 2,454	$ 1,975	11.7	13.7
$ 722.25	$576.15	$ 766.54	$603.00	$ 798.73	$627.66	$3,024,315	$2,376,569	4.2	4.1

FIGURE NO. 46

TELEPHONE COMPANIES
PLANT INVESTMENT PER TELEPHONE
WITH PERCENT INCREASE 1978 OVER 1977

(N.C. Data Only)

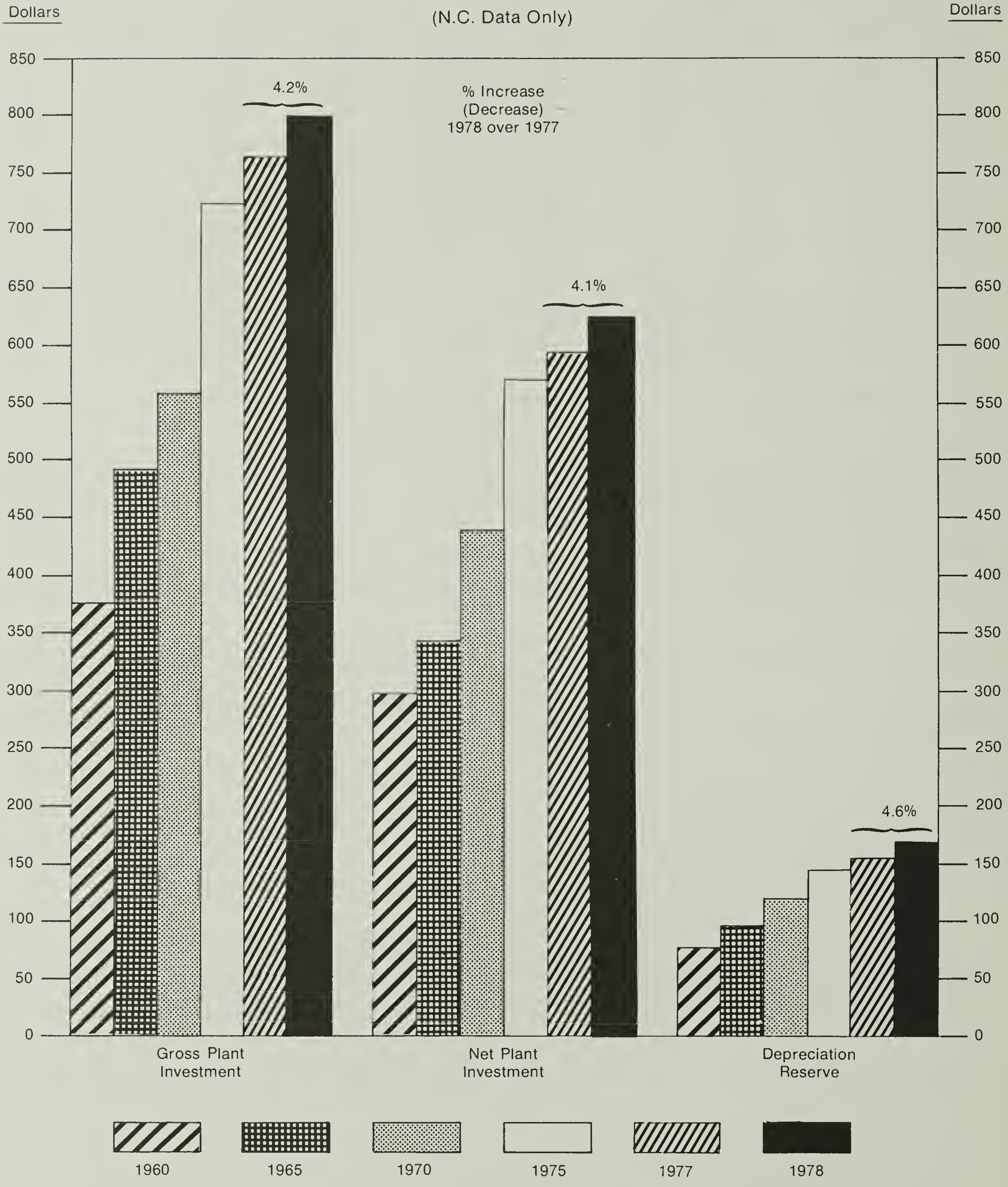


FIGURE NO. 47

TELEPHONE COMPANIES—CLASSES A, B, C AND D
SUMMARY OF SELECTED DATA—INCOME, EXPENSES, BALANCE SHEET AND STATISTICAL ITEMS

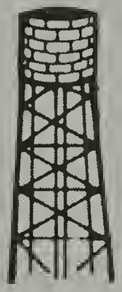
For the Calendar Years 1960, 1965, 1970, 1975, 1977-1978
(N.C. Data Only, Unless Otherwise Noted) (Dollars in 000's)

	1960	1965	1970	1975	1977	1978	% Change More (Less) 1978 Over 1977
Number of Companies Regulated	34	32	29	26	23	22	
Number Included in this Data	34	32	29	25	23	22	
Income Items (N.C. Only):							
Local Service Revenue	$ 70,625	$ 103,540	$ 168,708	$ 314,658	$ 394,046	$ 428,735	8.8
Toll Service Revenue	53,180	86,630	163,506	326,870	417,474	511,397	22.5
Miscl. Revenues less Uncollectibles	4,743	7,613	11,046	18,412	25,325	30,088	18.8
Total Operating Revenues	$ 128,548	$ 197,783	$ 343,260	$ 659,940	$ 836,845	$ 970,220	15.9
Net Rent from/for Lease of Operating Property				523	547	684	25.0
Total Operating Revenues after Rent of Operating Property	$ 128,548	$ 197,783	$ 343,260	$ 659,417	$ 836,298	$ 969,536	15.9
Expense Items:							
Maintenance	$ 19,755	$ 31,723	$ 58,878	$ 125,222	$ 164,381	$ 193,097	17.5
Depreciation	19,051	32,057	55,898	107,434	136,200	150,937	10.8
Traffic	15,722	21,268	35,179	53,066	52,223	55,182	5.7
Commercial				40,847	51,769	61,940	19.6
General Office				25,746	34,305	41,011	19.5
Other	32,003	37,299	65,239	44,109	58,051	67,670	16.6
Total Operating Expenses Before Taxes	$ 86,531	$ 122,347	$ 215,194	$ 396,424	$ 496,929	$ 569,837	14.7
State Taxes:							
Income Taxes	$ 2,062	$ 3,377	$ 4,451	$ 8,060	$ 12,323	$ 14,333	16.3
Gross Receipts	N Apl.	9,152	14,968	29,208	37,146	43,471	17.0
Property	N Apl	5,826	11,776	22,573	25,466	27,641	8.5
Other Operating Taxes				269	394	563	42.9
Total State Taxes	$ 2,062	$ 18,355	$ 31,195	$ 60,110	$ 75,329	$ 86,008	14.2
Federal Taxes:							
Income Taxes	$ 17,893	$ 19,564	$ 30,529	$ 12,702	$ 24,042	$ 41,105	71.0
Investment Credits	NA	1,763	1,093	17,650	24,906	21,618	(13.2)
Deferred Accellerated Depreciation	NA	(277)	(976)	30,231	36,068	39,389	9.2
Other Taxes				10,405	12,732	14,955	17.5
Total Federal Taxes	$ 17,893	$ 21,050	$ 30,646	$ 70,988	$ 97,748	$ 117,067	19.8
Total State & Federal Taxes	$ 19,955	$ 39,405	$ 61,841	$ 131,098	$ 173,077	$ 203,075	17.3
Total Operating Expenses	$ 106,486	$ 161,752	$ 277,035	$ 527,522	$ 670,006	$ 772,912	15.4
Net Operating Revenue	$ 22,062	$ 36,031	$ 66,225	$ 131,895	$ 166,292	$ 196,624	18.2
Other Income (Deductions):							
Interest Charged to Construction				$ 4,958	$ 5,333	$ 4,924	(7.7)
Fixed Charges				(55,239)	(57,829)	(65,212)	12.8
Other (Net)				9,260	10,768	10,664	(1.0)
Total Other Income (Deductions)				$ (41,021)	$ (41,728)	$ (49,624)	18.9
Net Income				$ 90,874	$ 124,564	$ 147,000	18.0
Balance Sheet Items (N.C. Only):							
Telephone Plant in Service	$ 431,647	$ 690,389	$1,270,005	$2,244,307	$2,677,670	$2,932,936	9.5
Less: Depreciation Reserve	89,084	153,896	271,675	466,752	588,486	647,745	10.1
Net Telephone Plant in Service	$ 342,563	$ 536,493	$ 998,330	$1,777,555	$2,089,184	$2,285,191	9.4
Telephone Plant Under Construction & Held for Future Use				63,021	80,719	91,378	13.2
Total Net Telephone Plant	$ 342,563	$ 536,493	$ 998,330	$1,840,576	$2,169,903	$2,376,569	9.5
Balance Sheet Items (Systemwide):							
Long-Term Debt	$ 705,569	$1,110,037	$1,363,554	$2,781,295	$3,270,382	$3,435,518	5.0
Total Capitalization	$2,242,115	$3,494,774	$3,506,565	$6,832,299	$7,900,085	$8,414,133	6.5
Long-Term Debt % of Total Capitalization:							
Including Southern Bell'	30.3	31.8	38.9	40.7	41.4	40.8	(1.4)
Excluding Southern Bell'	44.3	46.4	49.0	49.4	48.7	47.9	(1.6)
Statistics (N.C. Only):							
Telephones in Service—Year End:							
Residence—Mains	694,189	891,622	1,183,560	1,517,288	1,632,303	1,696,561	3.9
—Extensions	152,432	262,804	493,942	889,590	1,100,798	1,173,667	6.6
Total Residence Phones	846,621	1,154,426	1,677,502	2,406,878	2,733,101	2,870,228	5.0
Business—Mains	113,949	140,054	185,393	244,387	270,902	282,127	4.1
—Extensions	81,036	115,478	155,616	206,493	227,955	247,425	8.5
Total Business Phones	194,985	255,532	341,009	450,880	498,857	529,552	6.2
Coin Operated, PBX Units & Special Services	128,716	178,416	272,202	378,041	402,975	423,390	5.1
Grand Total of all Telephones in Service	1,170,322	1,588,374	2,290,713	3,235,799	3,634,933	3,823,170	5.2
Average Number of Calls per Telephone: (Class A & B Only)							
Local	2,367	2,131	2,101	1,978	1,944	1,843	(5.2)
Toll	55	63	85	113	134	196	46.3
Total Average Number of Employees	10,393	12,324	17,791	19,461	19,039	19,896	4.5
Total Wages & Benefits Paid Employees (Est.)	$ 47,267	$ 68,423	$ 121,531	$ 221,163	$ 273,292	$ 313,745	14.8
Average Annual Wages & Benefits Paid Employees (Actual $)	$ 4,548	$ 5,552	$ 6,831	$ 11,364	$ 14,354	$ 15,769	9.9

'Weighted Average

N A — Not Available

N Apl. — Not Applicable



VII. Water And Sewer Companies

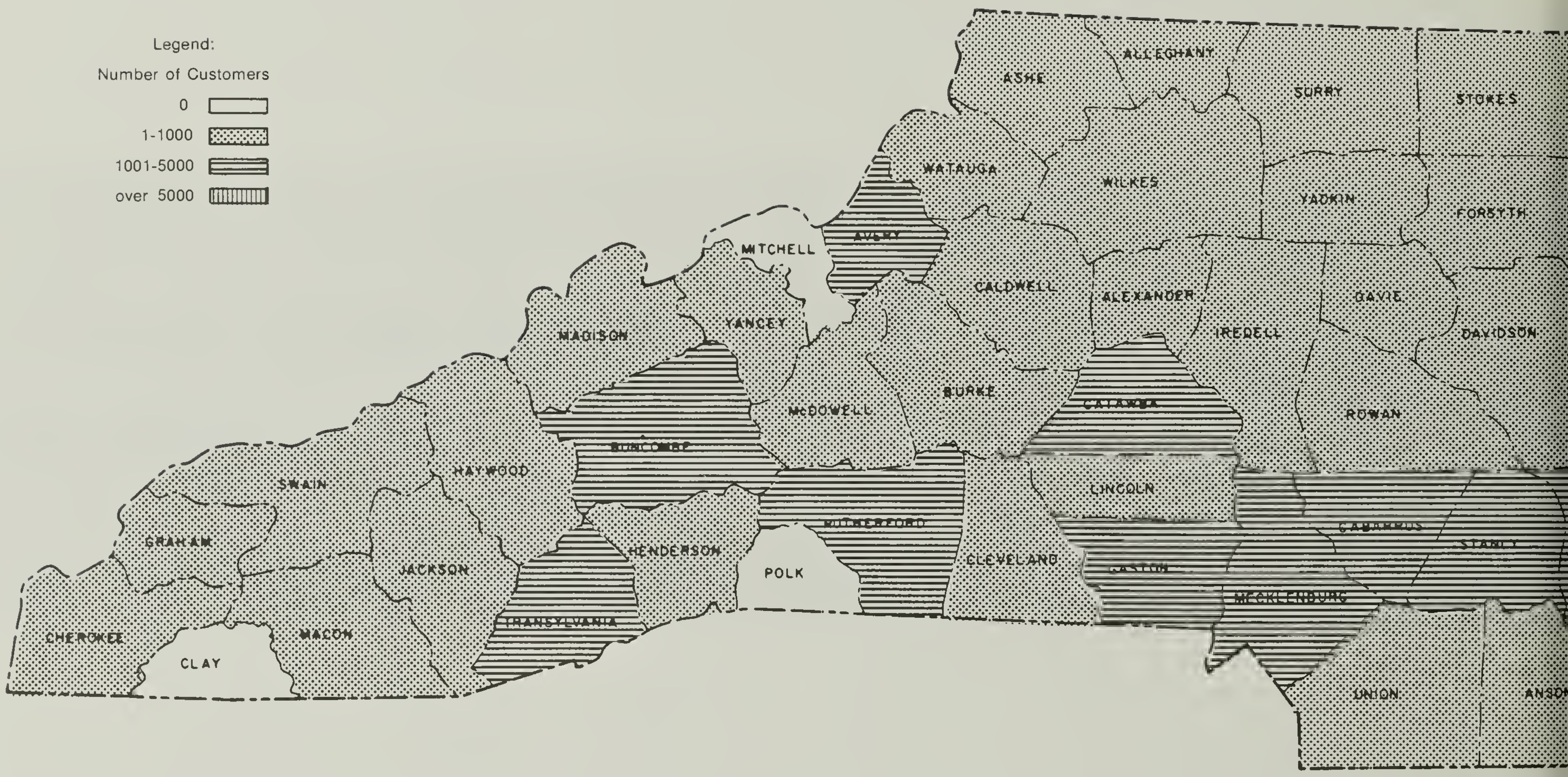


FIGURE NO. 48

Distribution of Customers
Served by
REGULATED WATER & SEWER UTILITIES
on Dec. 31, 1978

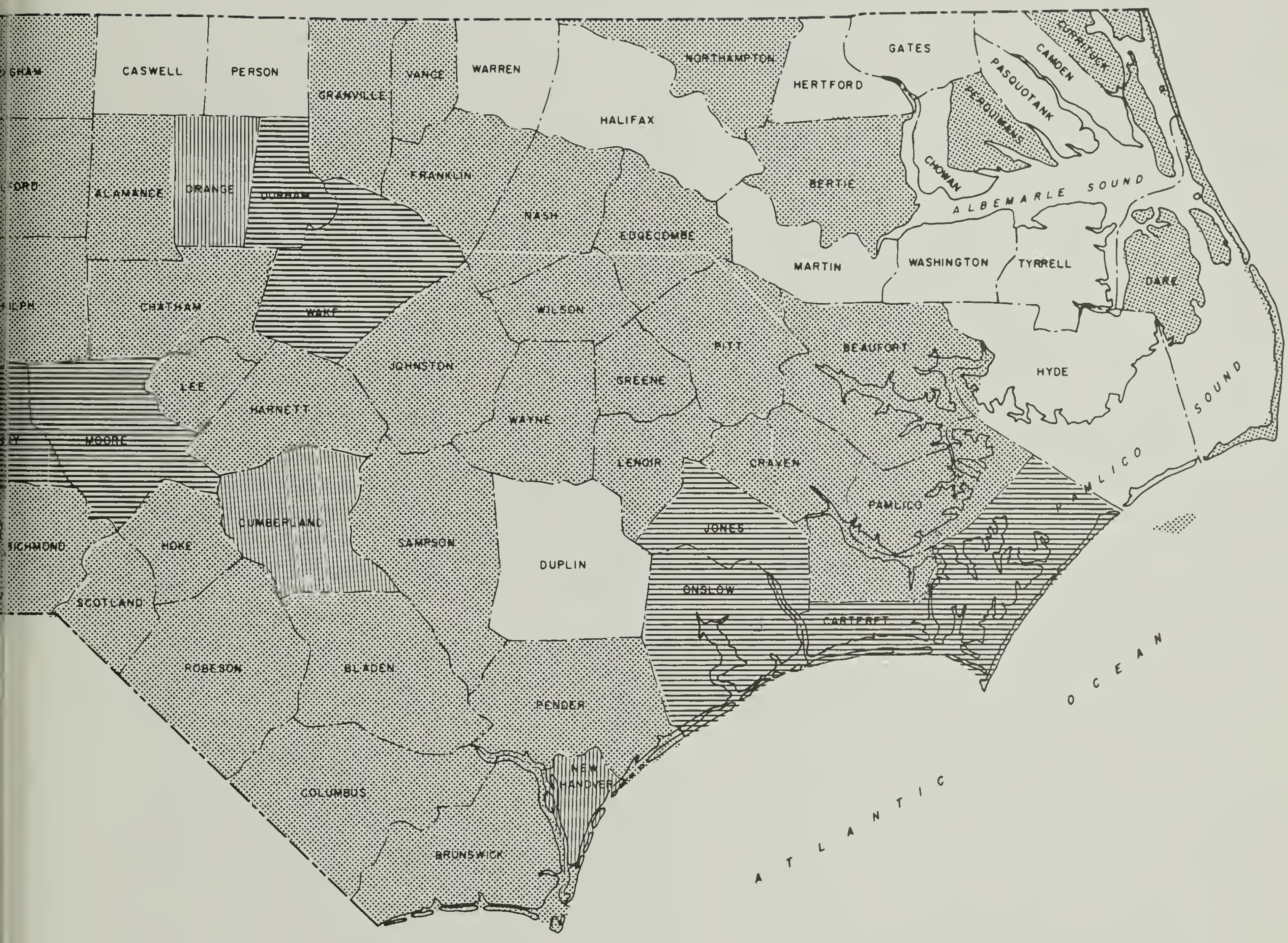

GHAM
CASWELL
PERSON
GRANVILLE
VANCE
WARREN
NORTHAMPTON
HERTFORD
GATES
CURRITUCK
CAMDEN
PASQUOTANK
PERQUIMANS
CHOWAN
HALIFAX
ORD
ALAMANCE
ORANGE
DURHAM
FRANKLIN
BERTIE
ALBEMARLE SOUND
NASH
EDGECOMBE
MARTIN
WASHINGTON
TYRRELL
DARE
LPH
CHATHAM
WAKE
WILSON
PITT
BEAUFORT
LEE
HARNETT
JOHNSTON
GREENE
HYDE
Y
MOORE
WAYNE
LENOIR
CRAVEN
PAMLICO
SOUND
ICHMOND
HOKE
CUMBERLAND
SAMPSON
DUPLIN
JONES
PAMLICO
SCOTLAND
ONSLOW
CARTERET
ROBESON
BLADEN
PENDER
NEW HANOVER
COLUMBUS
BRUNSWICK
ATLANTIC OCEAN

FIGURE NO. 49

DISTRIBUTION OF SYSTEMS AND CUSTOMERS
N.C. REGULATED WATER AND SEWER UTILITIES
at December 31, 1978

County	No. of Systems	No. of Customers
Alamance	6	177
Alexander	14	421
Allegheny	1	101
Anson	1	-0-
Ashe	3	210
Avery	8	3,518
Beaufort	2	90
Bertie	2	38
Bladen	1	-0-
Brunswick	5	227
Buncombe	8	2,071
Burke	5	103
Cabarrus	41	1,583
Caldwell	19	638
Camden	-0-	-0-
Carteret	10	903
Caswell	-0-	-0-
Catawba	78	2,113
Chatham	3	201
Cherokee	1	76
Chowan	-0-	-0-
Clay	-0-	-0-
Cleveland	6	343
Columbus	3	59
Craven	4	161
Cumberland	57	19,732
Currituck	2	173
Dare	2	283
Davidson	1	14
Davie	5	218
Duplin	-0-	-0-
Durham	17	1,211
Edgecombe	3	201
Forsyth	8	483
Franklin	1	43
Gaston	93	3,173
Gates	-0-	-0-
Graham	1	14
Granville	1	15
Greene	1	11
Guilford	6	309
Halifax	-0-	-0-
Harnett	6	383
Haywood	4	122
Henderson	6	222
Hertford	-0-	-0-
Hoke	2	91
Hyde	-0-	-0-
Iredell	27	731
Jackson	4	793
Johnston	7	237
Jones	-0-	-0-
Lee	4	271
Lenoir	5	588
Lincoln	8	520
Macon	4	209
Madison	1	-0-
Martin	-0-	-0-
McDowell	1	170
Mecklenburg	41	4,511
Mitchell	-0-	-0-
Montgomery	4	2,271
Moore	9	2,011
Nash	2	30
New Hanover	31	5,073
Northampton	1	22
Onslow	18	2,737
Orange	8	6,969
Pamlico	1	49
Pasquotank	-0-	-0-
Pender	1	24
Perquimans	1	459
Person	-0-	-0-
Pitt	2	28
Polk	-0-	-0-
Randolph	11	503
Richmond	3	217
Robeson	6	80
Rockingham	6	133
Rowan	31	863
Rutherford	7	3,217
Sampson	1	18
Scotland	5	521
Stanly	15	1,012
Stokes	4	351
Surry	23	503
Swain	1	12
Transylvania	3	4,414
Tyrrell	-0-	-0-
Union	10	659
Vance	1	-0-
Wake	53	3,617
Warren	-0-	-0-
Washington	-0-	-0-
Watauga	9	661
Wayne	9	770
Wilkes	1	-0-
Wilson	6	166
Yadkin	2	41
Yancey	1	-0-
Total	825	85,192

WATER & SEWER COMPANIES

A.GENERAL COMMENTS

As of December 31, 1978, there were approximately 3,100 public water or sewer systems in North Carolina and approximately 800 of these are operated as regulated public utilities owned by about 400 companies. The General Statutes of North Carolina provide in part that anyone owning or operating facilities for furnishing water or sewer service to the public for compensation is a public utility, except when such person's sole operation consists of selling water to less than ten (10) residential customers. Specifically exempt from regulation under the Statutes are municipalities, sanitary districts, and anyone who furnishes water or sewer service to himself, his tenants, or his employees. The Statutes also exempt consumer-owned corporations whose water and sewer systems are financed by the Farmer's Home Administration or similar Federal agencies.

Figure Nos. 48 & 49 shows a map and in chart form the locations of the water and sewerage systems by counties with the number of systems and customers in each county.

Approximately 75% of the customers of regulated water companies in North Carolina receive metered service, and approximately 70% of the customers are furnished water treated in some manner, usually by chlorination. In some systems, water is treated with phosphates to control excess iron, and a few systems have filters for iron removal. Approximately 30% of the customers are served by water systems having fire protection capability. A few of the companies purchase water from municipalities for resale to their customers, but most of the companies supply water by means of deep wells.

Over 600 of the regulated water and sewer systems have fewer than 100 customers each. Only 17 of the companies have more than 1,000 customers, and none have more than 6,000 customers.

The smaller water and sewer companies lack the manpower and other resources required to provide all the professional services expected of modern utility companies. Many small company operations are generally unfamiliar with proper bookkeeping methods, and they have incomplete records or no records at all to substantiate the cost of systems improvements or operations. When customer demand has outgrown the original capacity of the system, a small water or sewer utility is often unable to obtain adequate capital for expansion. In many instances, the economic feasibility of making capital improvements to the smaller systems is greatly reduced because of the possibility of losing a portion of their service areas or a portion of their customers to an expanding municipal system nearby.

B. COMMISION ACTIVITIES

There were 170 proceedings involving water and sewerage before the Commission during 1978, which resulted in approximately 63 formal hearings with Commission orders and 97 letter type orders and rulings being issued. Many of the decisions require certain specific actions or service improvements by the company which must be monitored by the Commission to ensure compliance, therefore, these orders are left open for further Commission action if needed.

A large amount of the Commission's time spent in 1978 on regulation of water/sewer utilities involved general rate cases. However, out of the 400 water and sewer companies, there were only 41 rate cases before the Commission during the year. This may indicate that the majority of the companies' utility operations comprise only a part of the owner's total operations.

Thirty-one (31) of the 41 general rate increases for water or sewer service filed during 1978 were decided during 1978. Although a general rate case for an individual water/sewer utility does not normally involve the large quantities of data which is involved in a single rate case for the gas, electric or telephone companies, the large number of water/sewer rate cases did require evaluation of a large amount of data from many different sources. Of the $541,000 additional revenues requested in the 31 cases, $246,000 was granted. Rate cases still pending at the end of 1978 involved requests for $250,000 additional revenue for water and sewerage service.

In addition to general rate cases, initial rates for new water/sewer service were fixed in approximately thrity-eight (38) of the 51 new franchises granted during 1978, affecting approximately 2,200 customers. The new additional rates will result in approximately $150,000 additional revenues for the companies affected. Also, in 1978 there were three (3) dockets in which partial rate adjustments or tariff amendments were approved for the companies affected.

A total of 51 new franchises were granted during 1978 for water or sewerage systems, including several granted for previously regulated water or sewerage systems as a result of transfers or mergers; however, 34 franchises were deleted for one reason or another. A utility company generally must obtain a separate franchise for each separate water or sewerage system operated by the company, and some of the companies have up to 40 separate franchises (for 40 separate systems). Cancellation of franchises are normally the result of consolidation with, or replacement by, municipal systems, although some are due to transfers, mergers, or disciplinary action by the Commission.

In addition to formal cases, the Utilities Commission

Public Staff conducts numerous informal investigations during the year involving service problems, customer complaints, and utility status.

C. REGULATED VS. NON—REGULATED MONTHLY CHARGES

Comparative monthly charges for residential water service between selected non-regulated municipal systems and regulated water systems in North Carolina is shown on Figure No. 57.

Figure No. 52 shows the same comparable components for residential sewer service in North Carolina for the same period.

D. STATISTICAL SUMMARY

The number of regulated utility companies furnishing water and sewer service in North Carolina increased to 403 companies by December 31, 1978, as compared to 398 companies at December 31, 1977, and 389 companies at December 31, 1976. The 403 companies operate 760 water systems and 65 sewer systems in North Carolina. They serve approximately 89,000 water and sewer customers, and receive approximately $7,400,000 annual revenues. The 403 companies represent a gross plant investment of approximately $65,000,000. See Figure No. 53 for a graphic presentation of the customer, revenue, and plant growth of the regulated water and sewer companies.

The growth in number of individual systems is attributed to the general build-up of residential housing areas outside of municipal boundaries, and the resulting proliferation of small subdivision size water/sewer systems. However, the larger water/sewer utility companies have also experienced growth in customers consistent with the general growth rates of other regulated utilities. The largest/sewer utility company regulated by the Commission is Lafayette Water Company, which serves approximately 5,200 customers in Fayetteville and collects approximately $435,000 annual revenues for water service.

Of the 403 water and sewer companies regulated as of December 31, 1978, only 7 water companies and 7 water/sewer companies had records in sufficient detail to permit any useful comparative data to be developed for this report. The individual financial and statistical data for these 14 companies for the year 1978 is shown on Figure Nos. 54 and 55.

Caution should be used in applying the results of the data shown for these 14 companies to any specific situation. The data is taken directly from the annual reports without any adjustments. Experience has shown that the Commission usually makes substantial adjustments to the data filed by water and water/sewer companies for rate making purposes. The adjustments are most frequently made to the plant accounts and the related depreciation expenses claimed against the plant investment. Most of the adjustments are downward to reflect the elimination of plant contributed or plant investment recovered by the developers or owners through the sales price of the lots in subdivisions.

Often, there are downward adjustments in both the plant account and in operation expenses due to the system having unreasonable large unused customer capacity during the early stage of development.

In view of these limitations, the average water usage and revenues per customer have the most valuable use for comparative or planning purposes.

FIGURE NO. 50

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1978

	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Abernathy, Joe D., Hickory, N.C.	W-456	$ 1,146	$	24		1	
Acqua, Inc., Hickory, N.C.	W-270	7,773		86		1	
Alexander Water Supply, Kannapolis, N.C.	W-019	998		22		1	
Allen Hills Water Co., Inc., Charlotte, N.C.	W-050	9,080		110		1	
Allied Construction Co., Inc., Aberdeen, N.C.	W-607	-0-		22		1	
All Star Mobile Home Park, Raleigh, N.C.	W-628	785		10		1	
Anderson Creek Water Co., Spring Lake, N.C.	W-336	2,746		59		1	
Anderson, Wayne, China Grove, N.C.	W-566	2,058		30		1	
Aqua Company, Wilmington, N.C.	W-190	1,152		24		1	
Associated Realty & Investment Co., Boone, N.C.	W-384	1,600		21		1	
Associated Utilities, Inc., Wilmington, N.C.	W-303	23,072	14,199	355	262	2	2
Atlantic Beach Sales & Service, Morehead City, N.C.	W-075	53,790		733		1	
Autry Water System, Fayetteville, N.C.	W-317	2,458		40		3	
Avalon Water System, Inc., Randleman, N.C.	W-382	1,020		19		1	
Aycock, Gene, Water Co., Kannapolis, N.C.	W-008	11,427		96		4	
Badin Water Co., Badin, N.C.	W-329	-0-		-0-		1	
Bailey's Utilities, Inc., Raleigh, N.C.	W-365	58,466		602		9	
Bald Mountain Development Corp., Mars Hill, N.C.	W-410	5,825		152		1	
Barclay Downs Utilities, Inc., Knightdale, N.C.	W-404	13,799		111		1	
Bare, Robert, Construction Co., Inc., Gastonia, N.C.	W-595	132		7		1	
Bayview Water Works, Belhaven, N.C.	W-565	5,115		93		1	
Beachwood Distributing Co., Inc., Newton, N.C.	W-622	284		8		1	
Beam, Murry V., Water Supply, Cherryville, N.C.	W-464	522		20		1	
Bear Paw Company, Murphy, N.C.	W-500	8,080	1,192	83	14	1	1
Beard, W. H., Archdale, N.C.	W-351	5,011		89		3	
Beatties Ford Utility Co., Charlotte, N.C.	W-192	24,191	24,191	359	359	1	1
Bellview Water System, Inc., Shelby, N.C.	W-684	-0-		-0-		1	
Belmont Water Co., Inc., Fayetteville, N.C.	W-393	2,046		25		1	
Bess Brothers, Inc., Gastonia, N.C.	W-331	11,359		186		5	
Bess, Cregg, Inc., Gastonia, N.C.	W-281	15,685		253		6	
Bethlehem Utilities, Inc., Hickory, N.C.	W-259	26,081		255		4	
Billingsby, W. D. & John T., Reidsville, N.C.	W-632	1,380		25		1	
Birchwood Farms, Inc., Hope Mills, N.C.	W-656	1,105		18		1	
Bland Construction Co., Inc., Rockingham, N.C.	W-342	-0-		-0-		2	
Boiling Spring Lakes Water Co., Charleston, S.C.	W-582	1,760		31		1	
Bolick, Albert L., Newton, N.C.	W-430	1,431		18		1	
Bonaparte's Retreat Water System, Shallotte, N.C.	W-636	2,460		41		1	
Bondurant Development Co., Inc., Hickory, N.C.	W-395	5,389		76		1	
Bostain Water System, Hickory, N.C.	W-161	936		26		1	
Bradshaw Water Co., Charlotte, N.C.	W-103	3,290		55		1	
Bridges Community Water System, Forest City, N.C.	W-304	6,378		94		1	
Brightwater Water Dept., Hendersonville, N.C.	W-151	4,163		78		1	
Brindle Well Drilling, Gastonia, N.C.	W-228	4,888		77		2	
Brookside Water Co., Waynesville, N.C.	W-330	1,044		29		1	
Brookwood Utilities, Inc., Knightdale, N.C.	W-470	4,114		34		1	
Brookwood Water Corp., Fayetteville, N.C.	W-177	247,817		2,772		7	
Browning Enterprises, Inc., Hendersonville, N.C.	W-569	3,090		45		1	
Buffalo Meadows Utility Co., Boone, N.C.	W-312	2,291	2,292	35	35	1	1
Buffaloe Water System, Raleigh, N.C.	W-635	1,911		47		1	
C & L Utilities, Inc., Wilmington, N.C.	W-535	8,448		105		2	
C & M Collection Agency, Inc., Statesville, N.C.	W-388	3,759		76		2	
Cape Fear Utilities, Inc., Wrightsville Beach, N.C.	W-297	155,726	60,039	1,362	370	10	5
Cape Fear Water Co., Fayetteville, N.C.	W-232	35,327		538		2	
Cardinal Water Co., Greensboro, N.C.	W-668	3,832		25		1	
Carolina-Blythe Utility Co., N. Myrtle Beach, S.C.	W-503	9,392	24,817	62	63	1	1
Carolina Caribbean Utility Co., Banner Elk, N.C.	W-300	94,571	51,804	854	700	1	1
Carolina Forest Utilities, Inc., Charlotte, N.C.	W-361	26,543		965		1	
Carolina Pines Construction Co., Havelock, N.C.	W-341	5,287		57		1	
Carolina Trace Corp., Sanford, N.C.	W-436	17,900	-0-	243	-0-	1	1
Carolina Water Service of N.C., Northbrook, Ill.	W-354	95,053	30,589	1,246	507	4	2
Cash & Webber, Shelby, N.C.	W-306	120		14		1	
Castor Court Water Co., Inc., Kannapolis, N.C.	W-423	850		17		1	
Caswell Water System, Inc., Raleigh, N.C.	W-012	4,142		72		1	
Catawba Water Supply, Inc., Hickory, N.C.	W-179	-0-		-0-		1	
Central Utilities, Inc., Knightdale, N.C.	W-405	28,833		255		1	
Chapel Hills Utility Co., Boone, N.C.	W-310	2,918		30		1	
Cherokee Hills Holding Corp., Lake Park, Fla.	W-643	1,182		19		1	
Chimney Rock Water Works, Chimney Rock, N.C.	W-102	6,368		105		1	
Cleveland Water Systems, Inc., Shelby, N.C.	W-301	10,550		157		1	
Cliffdale Water Co., Fayetteville, N.C.	W-203	10,660		179		1	
Cline, H.C., Bldg. & Supply Co., Hickory, N.C.	W-418	2,528		40		1	
Coastal Plains Utility Co., Wilmington, N.C.	W-215	44,041		568		3	
Collins, Robert, Water Supply, Kannapolis, N.C.	W-519	1,650		28		1	
Colony Park Utilities Co., Durham, N.C.	W-208	6,785	770	107	21	1	1
Colony Water of Morehead City, Inc., Morehead City, N.C.	W-654	2,850		27		1	
Combs, Robert F., Stoney Point, N.C.	W-328	2,268		27		1	
Community Water System, Taylorsville, N.C.	W-416	1,389		16		1	
Community Water Works, Inc., Statesville, N.C.	W-316	9,281		76		2	
Conner Homes Corp., Newport, N.C.	W-343	3,132		47		1	
Consolidated Utilities, Inc., Wrightsville Beach, N.C.	W-332	1,203		11		1	
Cook, L. V., Water Supply, Albemarle, N.C.	W-540	5,965		102		2	
Corriher Water Service, Inc., China Grove, N.C.	W-233	53,827		796		15	
Country Hills Utilities, Inc., Knightdale, N.C.	W-400	3,016		26		1	

FIGURE NO. 50—Continued

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1978

	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Country Hills Water Co., Monroe, N.C.	W-609	1,266		20		1	
Country Estates Utility Co., Matthews, N.C.	W-660		1,026		45		1
Cox, S. M., Monroe, N.C.	W-442	-0-		-0-		1	
Cox & Short, Hudson, N.C.	W-331	860		27		1	
Crater Water System, Charlotte, N.C.	W-185	-0-		42		1	
Crestview Water Co., Kinston, N.C.	W-195	17,205		249		1	
Crestview Water Systems, Inc., Salisbury, N.C.	W-325	2,751		52		1	
Crooks Water System, Hickory, N.C.	W-511	1,320		22		1	
Cross-State Development Co., Fleetwood, N.C.	W-408	4,000		114		1	
Crowsdale Water, Inc., Raleigh, N.C.	W-588	2,767		41		1	
Crystal Mountain Corp., Blowing Rock, N.C.	W-579	1,232		23		1	
Cumberland Water Co., Inc., Fayetteville, N.C.	W-169	218,331	141,040	3,354	1,710	11	3
Davis Roy A. & Virginia B., Wilson, N.C.	W-631	344		7		1	
Devlynn Investment Co., Inc., Hickory, N.C.	W-539	4,116		44		1	
Dillard Grading Co., Sylva, N.C.	W-340	6,332		77		2	
Dockery, David N., Gastonia, N.C.	W-438	3,624		85		1	
Duan Water Works, Inc., Newton, N.C.	W-346	-0-		9		1	
Duchess Forest Water Supply, Whiteville, N.C.	W-324	2,300		34		1	
Duke Power Co., Rutherfordton, N.C.	W-094	439,779		3,602		1	
Duncan, Gordon, Belmont, N.C.	W-483	1,291		16		1	
East Federal Savings & Loan Assoc., Kinston, N.C.	W-439	6,421	971	79	50	1	1
East Rutherford Water System, Inc., Forest City, N.C.	W-527	1,830		30		1	
Economy Finance Co. of Concord, Kannapolis, N.C.	W-528	1,123		11		1	
Edgebrook Development Co., Selma, N.C.	W-638	-0-		-0-		1	
Edgewood Water System, Kannapolis, N.C.	W-570	126		23		1	
Edwards Millwork & Bldg. Supply, Spring Hope, N.C.	W-134	1,842		33		1	
Evans, Leroy, Colerain, N.C.	W-594	1,080		18		1	
FDB, Inc., Tuxedo, N.C.	W-544	525		18		1	
F & H Water Co., Atlantic Beach, N.C.	W-545	2,800		40		1	
Faggart, H. E., Concord, N.C.	W-078	1,479		39		1	
Fairway Acres Water System, Lenoir, N.C.	W-260	3,704		53		1	
Fairway Shores Water Co., Mt. Gilead, N.C.	W-309	2,960		50		1	
Falling Creek Water Co., Kinston, N.C.	W-590	7,112		136		1	
Falls, Ralph, L., Gastonia, N.C.	W-268	23,711		280		5	
Farmer, Arthur V., Lenoir, N.C.	W-506	950		20		1	
Faw, Mrs. Francis S., Hickory, N.C.	W-087	5,704		125		1	
Fearrington Utilities, Mebane, N.C.	W-661	24,002		267		3	
Figure 8 Island Utility Co., Wrightsville Beach, N.C.	W-246	12,546		112		1	
Finger, Heavner, & Goodson, Lincolnton, N.C.	W-441	1,922		52		1	
Finger, John R., Concord, N.C.	W-644	2,015		23		1	
Flanders Filters, Inc., Washington, N.C.	W-542	-0-		7		1	
Fleetwood Falls, Inc., Fleetwood, N.C.	W-380	2,960		61		1	
Foley, Thelmer H., Hildebran, N.C.	W-612	-0-		-0-		1	
Foreman, J.D., Salisbury, N.C.	W-077	1,659		35		1	
Forest Acres Water Co., Taylorsville, N.C.	W-626	1,053		21		1	
Forest Hills Water Co., Inc., Lincolnton, N.C.	W-287	8,191		87		1	
Forrest, P. Tony, Taylorsville, N.C.	W-318	1,319		18		1	
Fortis, The, Corporation, King, N.C.	W-358	7,759	7,759	54	54	1	2
G. F. Company, Linville, N.C.	W-271	19,653	8,867	130	130	1	1
Gabriel's Pinewood Acres, Sherrills Ford, N.C.	W-344	1,296		13		1	
Gaither Water Co., Statesville, N.C.	W-621	1,340		27		1	
Gallagher Trails, Inc., Gastonia, N.C.	W-603	1,078		35		1	
Gamble, John R., Jr., M.D., Lincolnton, N.C.	W-286	-0-		-0-		1	
Garrard, F., Realty & Insurance, Durham, N.C.	W-508	-0-		-0-		1	
Gay Mountain Corp., Blowing Rock, N.C.	W-491	2,453		49		1	
Gaylee Village Utilities, Inc., Knightdale, N.C.	W-402	14,884		135		1	
General Homes Corp., Gastonia, N.C.	W-364	5,243	7,980	74	74	1	1
Genoa Water Systems, Inc., Goldsboro, N.C.	W-321	16,525		246		2	
Gensinger, John W., Raleigh, N.C.	W-549	2,253		27		1	
Glynnwood Mobile Home Park, Wilmington, N.C.	W-454	1,398		19		1	
Godley, M. R., Charlotte, N.C.	W-652		900		3		1
Goose Creek Utility Co., Charlotte, N.C.	W-369	22,345	24,504	163	162	1	1
Gordon Heights Water System, Concord, N.C.	W-407	-0-		-0-		1	
Goss Utility Co., Durham, N.C.	W-457	11,681		113		3	
Gower, Jerry, Construction Co., Knightdale, N.C.	W-465	-0-		3		1	
Graham, R. E., Raleigh, N.C.	W-184	3,009		44		1	
Grandview Water Co., Inc., Pfafftown, N.C.	W-183	34,721		292		2	
Greenfield Heights Development, Havelock, N.C.	W-205	-0-		-0-		1	1
Gresham's Lake Utility Co., Inc., Raleigh, N.C.	W-633	6,112	3,922	2	2	1	1
Grose, Lawrence, Asheboro, N.C.	W-608	609		-0-		1	
Grove Supply Co., Inc., China Grove, N.C.	W-587	760		18		1	
H & A Water Services, Inc., Locust, N.C.	W-510	32,909		363		8	
H & H Development Corp., Hookerton, N.C.	W-315	1,325		13		1	
HIC Water & Sewer Corp., Durham, N.C.	W-212		7,841		124		1
H & M Water Co., Inc., Morehead City, N.C.	W-147	8,026		97		1	
Hanover Services, Inc., Charlotte, N.C.	W-323	7,407		11		1	
Hare, John E., Apex, N.C.	W-417	1,434		16		1	
Harmony Heights Co., Raeford, N.C.	W-481	5,389		63		1	
Harnett Lakes Water Co., Inc., Fayetteville, N.C.	W-210	3,849		69		1	
Harris, John L., Landis, N.C.	W-634	1,005		19		1	

FIGURE NO. 50—Continued

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUE, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1978

	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Havelock Development Corp., Havelock, N.C.	W-223	10,268		117		1	
Hawkins, Paul, Co., Caroleen, N.C.	W-550	23,015		342		2	
Hazelwood Water Corp., Rocky Mount, N.C.	W-516	3,503		60		1	
Heater Utilities, Inc., Cary, N.C.	W-274	244,099		1,927		27	
Hefner Builders, Inc., Taylorsville, N.C.	W-480	1,226		14		2	
Helms Water Co., Charlotte, N.C.	W-592	1,197		18		1	
Hendrix-Barnhill Co., Inc., Greenville, N.C.	W-658	809		14		1	
Hendrix Development Co., Inc., Salisbury, N.C.	W-616	2,308		43		1	
Hensley Enterprises, Inc., Lowell, N.C.	W-089	106,797		1,241		23	
Heritage Water Co., Inc., Raleigh, N.C.	W-679	-0-		10		1	
Herman, Grover R. & Wife, Conover, N.C.	W-236	-0-		-0-		1	
Hickory Hills Service Co., Inc., Jacksonville, N.C.	W-460	130,857		359		2	
High Hampton, Inc., Cashiers, N.C.	W-574	5,133		39		1	
High Meadows Water & Utilities, Wilkesboro, N.C.	W-061	11,828		107		1	
Highlands Nantahala Co., Inc., Highlands, N.C.	W-559	9,573		96		1	
Holbrook, Mrs. M. L., Gastonia, N.C.	W-433	2,082		24		1	
Holiday Island Property Owners, Hertford, N.C.	W-386	11,794		645		1	
Hollandale Water Co., Gastonia, N.C.	W-419	1,432		26		1	
Holt, Edgar Lee, Kannapolis, N.C.	W-606	764		16		1	
Home Realty Co. & Insurance, Kannapolis, N.C.	W-521	3,044		40		1	
Homestead Community Water, Ridge Manor, Fla.	W-452	2,205		33		1	
Honey Hill Water Co., Whiteville, N.C.	W-420	1,670		25		1	
Honeycutt, Wayne M., Dallas, N.C.	W-472	1,479		27		2	
Hope Brothers Builders, Inc., Statesville, N.C.	W-413	216		4		1	
Hound Ears Lodge & Club, Inc., Blowing Rock, N.C.	W-397	25,513	6,880	257	87	1	1
Huey, Wade, Weaverville, N.C.	W-614	885		15		1	
Huffman, George W., Hickory, N.C.	W-424	1,546		36		1	
Huffman, H. C., Water Systems, Inc., Hickory, N.C.	W-095	32,851		478		8	
Hunter Water Co., Charlotte, N.C.	W-534	8,310		125		2	
Huntley, F. W., Construction Co., Inc., Charlotte, N.C.	W-477	786		16		1	
Hydraulics, Ltd., Greensboro, N.C.	W-218	101,255		923		25	
Independent Utilities, Inc., Matthews, N.C.	W-266	16,822	37,622	321	597	2	2
Isenhour, W. C., Mt. Pleasant, N.C.	W-664	-0-		-0-		1	
Jackson, Harold L., Wilson, N.C.	W-494	-0-		17		1	
Jackson Hamlet Water Supply, Aberdeen, N.C.	W-575	4,752		113		1	
Jackson Utility Co., Sapphire, N.C.	W-448	47,636	15,840	544	163	2	1
Jewell, A. Gordon, Asheville, N.C.	W-651	2,131		26		1	
Jones, J. W., Gastonia, N.C.	W-422	-0-		10		1	
Jones, Vernon, Kinston, N.C.	W-620	2,448		31		1	
Joyceton Water Works, Inc., Lenoir, N.C.	W-004	41,460		153		1	
Kale, W. R., Catawba, N.C.	W-492	920		20		1	
Kannapolis Real Estate Agency, Inc., Kannapolis, N.C.	W-025	731		28		1	
Keistler Water Co., Charlotte, N.C.	W-062	600		20		1	
Killian Water System, Conover, N.C.	W-298	1,449		32		1	
Kimberly Court Water System, Salisbury, N.C.	W-350	-0-		23		1	
Kindellwood Water Co., Inc., Fayetteville, N.C.	W-196	57,749		535		4	
Kings Grant Water Co., Wilmington, N.C.	W-250	91,720		1,145		1	
Kiser Water System, Hickory, N.C.	W-352	1,081		18		1	
Knob Creek Properties, Inc., Brevard, N.C.	W-486	5,387		51		1	
Lafayette Water Corp., Fayetteville, N.C.	W-043	438,008		5,262		4	
Lagrange Water Works Corp., Fayetteville, N.C.	W-200	161,874		1,573		4	
Lakeland Village Water Supply, Whiteville, N.C.	W-394	835		19		1	
Lake Sheila Homeowners Assoc., Inc.	W-546	1,360		36		1	
Lakeside Estates Water Co., Raleigh, N.C.	W-359	1,003		16		1	
Lake Summit Corp., Spartanburg, S.C.	W-058	2,592		65		1	
Lake Terrace Water System, Inc., Shelby, N.C.	W-683	-0-		24		1	
Land Harbor Utility Co., Linville, N.C.	W-598	54,365	27,179	776	775	1	1
Lavan, Cora Jane, Wilson, N.C.	W-647	1,896		30		1	
Lea Water Company, Willard, N.C.	W-377	3,048		32		1	
Lewis Realty & Construction Co., Gastonia, N.C.	W-288	8,079		134		1	
Lincoln Water Works, Inc., Hickory, N.C.	W-335	9,963		93		1	
Littlefield Water Co., Inc., Lumberton, N.C.	W-348	32,396		129		3	
Lone Pine Water Co., Kinston, N.C.	W-451	10,122		50		1	
Longleaf, Inc., West End, N.C.	W-462	20,825		224		1	
Looper, Clark Russell, Hickory, N.C.	W-501	2,639		26		1	
Love, Wade H., Stanfield, N.C.	W-593	-0-		-0-		1	
Lowery, A. DeWitt-Trustee, Ellenboro, N.C.	W-326	-0-		-0-		1	
Lowesville Water Co., Inc., Lincolnton, N.C.	W-613	1,713		18		1	
M & S Corporation, Concord, N.C.	W-625	4,101		52		1	
M. D. Square, Inc., Raleigh, N.C.	W-338	846		20		1	
Marion Manufacturing Co., Marion, N.C.	W-057	-0-		-0-		1	
Masonboro Utilities, Inc., Wilmington, N.C.	W-623	3,566	7,133	121	65	1	1
Matlock, T. L., Jr., Taylorsville, N.C.	W-624	6,994		39		2	
Matthews, B. E. Construction Co., Inc., Conover, N.C.	W-641	1,206		16		1	
Mauney, Wm. K., Jr., Kings Mountain, N.C.	W-560	945		23		1	
Maxwell Water Co., Stedman, N.C.	W-339	1,696		30		1	
McNeill & Deal, N. Wilkesboro, N.C.	W-596	900		15		1	
McRae Construction Co., Inc., Wadesboro, N.C.	W-466	521		62		1	
McRee, William E., Maiden, N.C.	W-562	1,380		23		1	
Mecklenburg Utilities, Inc., Charlotte, N.C.	W-617	66,117	28,652	815	237	7	2

FIGURE NO. 50—Continued

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUE, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1978

	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Mercer Environmental Corp., Jacksonville, N.C.	W-198	40,955	155,925	1,347	390	11	2
Miller, R. B., Jr., Hudson, N.C.	W-493	2,510		48		3	
Mineral Springs Mountain Water, Valdese, N.C.	W-576	1,916		23		1	
Mishue, Dale, Trustee, Garner, N.C.	W-515	3,058		43		1	
Modern Plumbing Co., of Charlotte, Charlotte, N.C.	W-551	1,200		20		1	
Montclair Water Co., Inc., Fayetteville, N.C.	W-173	244,638	117,729	3,169	2,083	5	2
Moore, Jack C., Stanley, N.C.	W-434	1,350		45		1	
Morgan, John H., Miami, Fla	W-552	-0-		-0-		1	
Morlan Park Water Co., Salisbury, N.C.	W-042	1,685		54		1	
Mott Morrison, China Grove, N.C.	W-530	858		12		1	
Moseley-Nash Water Corp., Blackridge, Va.	W-475	70		23		1	
Moss, C. J., Kannapolis, N.C.	W-409	2,847		61		1	
Moss Hill Water Works Co., Clinton, N.C.	W-459	3,512		29		1	
Mount Vernon Park Water System, Kinston, N.C.	W-072	6,608		117		1	
Mountain Retreat Assn., Montreat, N.C.	W-385	34,533	13,732	461	461	1	1
Mullis, Giles E., Kannapolis, N.C.	W-547	5,664		118		5	
Niagara Water Co., Southern Pines, N.C.	W-059	1,054		25		1	
North Brook Construction Co., Inc., Vale, N.C.	W-349	1,082		18		1	
North Crest Water System, Inc., Burlington, N.C.	W-496	2,561		20		1	
Northeast Utility Co., Richlands, N.C.	W-655	-0-		-0-		1	
North Forest Utilities, Inc., Knightdale, N.C.	W-403	8,196		69		1	
Norwood Beach Water System, Concord, N.C.	W-498	5,054		80		2	
O/A Utility, Inc., Kill Devil Hill, N.C.	W-392		15,002		100		1
Oakmont Water Co., Raleigh, N.C.	W-533	1,006		38		1	
Oehler Water Co., Charlotte, N.C.	W-440	5,665		74		4	
Old Farm Water System, Inc., Salisbury, N.C.	W-568	3,116		45		1	
Old South Lane Water System, Inc., Gastonia, N.C.	W-517	713		11		1	
Overhills Water Co., Inc., Dunn, N.C.	W-175	36,058	4,500	452	75	2	1
Owen Hill Utilities Corp., Dublin, N.C.	W-437	1,592		11		1	
Owl's Nest Waterworks, Inc., Sanford, N.C.	W-556	9,927		98		1	
P & B Waterworks, Raleigh, N.C.	W-627	4,101		47		1	
P & H Water Co., Inc., Fayetteville, N.C.	W-257	11,896		102		1	
Park Utility Co., Hope Mills, N.C.	S-006		3,648		76		1
Parris, Steddy Durbin, Jr., Monroe, N.C.	W-563	2,345	9,997	59	59		1
Pate, Z. V., Inc., Laurel Hill, N.C.	W-067	32,262		416		1	
Patrick, John W., II, Waynesville, N.C	W-537	-0-		-0-		1	
Patterson, James D., Gastonia, N.C.	W-276	1,508		28		1	
Payne, Fred L. Water Co., Alexis, N.C.	W-110	9,181		212		7	
Paysours Water Works, Inc., Bessemer City, N.C.	W-278	6,349		80		1	
Pen Properties, Inc., Jacksonville, N.C.	W-586	2,216		34		1	
Picture Park Water Supply, Inc., Concord, N.C.	W-538	5,188		85		1	
Piedmont Construction & Water, Stoney Point, N.C.	W-262	180,094		1,564		39	
Piedmont Estates Water System, Asheboro, N.C.	W-581	6,116		97		1	
Pierce, Heavner, & Jenkins, Bldr., Gastonia, N.C.	W-363	11,326		131		1	
Pilot Insurance & Realty Co., Salisbury, N.C.	W-182	2,614		45		1	
Pine Valley Water Co., Inc., Wrightsville Beach, N.C.	W-242	59,272	17,617	400	1,150	1	1
Pinehurst, Inc., Pinehurst, N.C.	W-006	115,691	33,709	862	646	1	1
Pless, Ben R., Arden, N.C.	W-553	1,709		33		1	
Poole Bros. Bldg. & Trading Co., Raleigh, N.C.	W-513	6,148		115		2	
Pope, Mrs. A. R., Horse Shoe, N.C.	W-485	816		17		1	
Powder Horne Utilities, Inc., Triplett, N.C.	W-478	3,005		84		1	
Powell Water Co., Rocky Mount, N.C.	W-267	5,797		106		1	
Prior Construction Co., Garner, N.C.	W-567	2,052		28		1	
Proctor Water Works, Dallas, N.C.	W-663	1,414		17		1	
Propst Water Supply, Hickory, N.C	W-291	1,560		26		1	
Quail Hollow Water System, Inc., Shelby, N.C.	W-427	1,741		30		1	
Quail Run Water System, Kings Mountain, N.C.	W-662	1,298		37		1	
Quality Water Supplies, Inc., Wrightsville, N.C.	W-225	137,991		1,249		7	
Queensbury Park Water System, Winston-Salem, N.C.	W-137	-0-		-0-		1	
Raeford Plumbing & Heating Co., Raeford, N.C.	W-372	2,245		25		1	
Randolph Mills, Inc., Franklinville, N.C.	W-536	4,437	1,087	85	25	1	1
Ratchford, Brady W., Jr., Dallas, N.C.	W-444	3,619		49		1	
Ratchford, Lucius L., Gastonia, N.C.	W-421	1,224		18		1	
Regalwood Water Co., Kinston, N.C.	W-187	10,757		135		1	
Reynolds, L. A., Industrial District, Banner Elk, N.C.	W-263	8,960		78		1	
Ricks, Frank, Holly Ridge, N.C.	W-529	3,172		72		1	
Ridge Haven Utilities, Inc., Knightdale, N.C.	W-401	13,316		126		1	
Ridgecrest Baptist Conference, Ridgecrest, N.C.	W-071	7,228		240		1	
Riverbend Estates Water System, Coral Gables, Fla	W-390	1,144		41		1	
Rivercrest Builders, Inc., Zebulon, N.C.	W-591	3,080		42		1	
Riverhills, Inc., Greenville, N.C.	W-461		1,914		24		1
Riviera Utilities of N.C., Inc., Gautier, Miss.	W-665	12,700		98		1	
Robin Hood, Inc., Cedar Mountain, N.C.	W-227	11,919		118		1	
Robin Lake Water System, Goldsboro, N.C.	W-370	11,600		173		1	
Rock Barn Club of Golf, Inc., Hickory, N.C.	W-453	3,746		31		1	
Rolling Springs Water Co., Inc., Spring Lake, N.C.	W-313	26,670		159		2	
Rollingwood Water System, Inc., Shelby, N.C.	W-428	6,365		60		1	
Rose Hill Associates Water Co., Greenville, N.C.	W-677	-0-	-0-	259	259	1	1
Rosewood Water Co., Fayetteville, N.C.	W-305	1,060		50		1	
Ross, Sanford, E., Waynesville, N.C.	W-618	905		28		1	

FIGURE NO. 50—Continued

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION — REVENUES, CUSTOMERS, NO. OF SYSTEMS — as of December 31, 1978

	Docket Number	Revenue		Customers		No. Systems	
		Water	Sewer	Water	Sewer	Water	Sewer
Routh & Hennis, Inc., Pleasant Garden, N.C.	W-497	5,520		106		1	
Rozzelle, Fred D. Estate, Hickory, N.C.	W-202	8,755		185		11	
Ruff Water Co., Gastonia, N.C.	W-435	36,336		425		7	
Rugby South, Inc., Hendersonville, N.C.	W-460	-0-		14		1	
Rush, Hurley B., High Point, N.C.	W-558	2,243		31		1	
Sanders Water Co., Charlotte, N.C.	W-532	2,701		45		1	
Sandhill Acres Investment Co., Inc., Candor, N.C.	W-479	4,812		44		1	
Scientific Water & Sewerage, Jacksonville, N.C.	W-176	39,160	47,664	503	503	2	2
Scotland Water Co., Laurinburg, N.C.	W-426	5,725		90		3	
Setzer Bros. Well Boring, Inc., Claremont, N.C.	W-360	3,451		71		3	
Shade Tree Acres Water System, Salisbury, N.C.	W-455	805		13		1	
Shamrock Water Corp., Conover, N.C.	W-432	5,255		55		1	
Shiloh Water Co., Hickory, N.C.	W-619	-0-		18		1	
Sides & Hudgens, Harrisburg, N.C.	W-525	2,430		50		1	
Simco, Inc., Monroe, N.C.	W-356	1,556		35		1	
Ski Mountain Service Corp., Blowing Rock, N.C.	W-473	7,790		76		1	
Skyland Drive Water System, Gastonia, N.C.	W-642	1,260		21		1	
Skyview Water System, Inc., Gastonia, N.C.	W-293	4,089		69		1	
Smawley, Elon, Morganton, N.C.	W-333	2,215		28		1	
Springdale Water Co., Canton, N.C.	W-406	2,355	1,177	50	10	1	1
Springdale Water Co., Inc., Concord, N.C.	W-164	17,146		158		2	
Springdale Water Co. of Raleigh, Raleigh, N.C.	W-241	36,539		290		1	
Spring Hill Water Corp., Laurinburg, N.C.	W-247	591		13		1	
Springs Mills, Inc., Laurel Hill, N.C.	W-650	1,596	1,016	35	31	1	1
Spring Valley Water System, Newton, N.C.	W-425	905		17		1	
Spring Water Co., Inc., Swansboro, N.C.	W-337	24,649		255		3	
Stanley, S. P., Whiteville, N.C.	W-639	448		9		1	
Stewart, Paul A., Gastonia, N.C.	W-414	4,137		78		2	
Stony Brook Estates Water System, Selma, N.C.	W-295	2,477		29		1	
Suburban Heights Water System, Wilson, N.C.	W-394	1,380		20		1	
Suburban Industries, Inc., Hickory, N.C.	W-381	9,756		130		1	
Suburban Utilities Co., Smithfield, N.C.	W-399	870		15		1	
Sugar Mountain Utility Co., Banner Elk, N.C.	W-482	26,425	19,759	389	338	1	1
Sunset Park Utilities, Inc., Fayetteville, N.C.	W-178	8,442	4,205	156	156	1	1
Superior Well Supply Co., Inc., Shelby, N.C.	W-524	5,639		80		1	
Surry Water Co., Inc., Mt. Airy, N.C.	W-314	60,361		586		22	
Tarlton Real Estate Corp., Conover, N.C.	W-657	303		6		1	
Tarlton, Charles D., Taylorsville, N.C.	W-318	1,046		17		1	
Tee Utilities, Inc., Knightdale, N.C.	W-673	-0-		-0-		1	
Thomas, R. E. Properties, Inc., Gastonia, N.C.	W-597	3,653		53		1	
Timberlake, Wm. J., Knightdale, N.C.	W-290	-0-		-0-		1	
Tobacco Branch Village, Inc., Bryson City, N.C.	W-504	420		12		1	
Touch & Flow Water Systems, Jacksonville, N.C.	W-367	15,588		214		5	
Transylvania Utility Co., Brevard, N.C.	W-378	172,695	103,345	236	124	1	1
Treasure Cove Water Co., Kinston, N.C.	W-445	4,160		73		1	
Trexler Water System, Gold Hill, N.C.	W-505	3,250		47		1	
Umstead Water Co., Raleigh, N.C.	W-282	4,808		30		1	
Urban Water Co., Inc., Newton, N.C.	W-256	70,620		655		14	
Utility Systems, Ltd., Raleigh, N.C.	W-463	9,576	9,370	76	74		1
Valleydale Water Co., Gastonia, N.C.	W-272	3,819		42		1	
Vander Water Co., Inc., Fayetteville, N.C.	W-488	8,366		152		2	
Veterans Drive Community Water, Elon College, N.C.	W-118	1,795		30		1	
W & K Enterprises, Hickory, N.C.	W-611	204		5		1	
W.P.K.S. Utilities, Inc., Morehead City, N.C.	W-659		6,897		1		1
Wachovia Bank & Trust Co., Trustee, Winston-Salem, N.C.	W-648	-0-		-0-		1	
Wagstaff, Donald L., Fuquay Varina, N.C.	W-308	-0-		15		1	
Waller, Lewis C., M.D., Asheville, N.C.	S-001		1,640		49		1
Watauga Vista, Inc., Miami, Fla.	W-447	4,725		63		1	
Water, Inc., Fayetteville, N.C.	W-216	6,703		102		1	
Waterco, Inc., Charlotte, N.C.	W-080	151,434	9,368	1,685	276	19	1
Weber Development Co., Linville, N.C.	W-589	480		9		1	
Wedgewood Lakes Utility Co., Inc., Moyock, N.C.	W-357	33,897		170		1	
Western Utilities Corp., Locust, N.C.	W-229	4,622		140		4	
Westgate Utilities Co., Inc., Raleigh, N.C.	W-239	410		8		1	
Weston, W.A., Garner, N.C.	W-285	2,300		76		1	
Westport Water Works, Charlotte, N.C.	W-209	21,531		252		1	
White, Billy, Colerain, N.C.	W-600	250		12		1	
White Oak Community Water System, Shelby, N.C.	W-520	1,950		34		1	
White Oak Water Co., Raleigh, N.C.	W-319	-0-		-0-		1	
Wilkes, Charles E. — Trustee, Fayetteville, N.C.	W-201	386	3,386	122	67	1	1
Willow Creek Builders, Inc., High Point, N.C.	W-387		4,355		24		1
Wilson, Mitchell B., Eden, N.C.	W-602	3,128		46		2	
Wilson Water Service, Oxford, N.C.	W-554	1,368		30		3	
Wilson Woods Water, Matthews, N C.	W-509	2,210		21		1	
Windsor Lake Water Co., Kinston, N.C.	W-523	2,263		29		1	
Woodrun Utilities, Inc., Charlotte, N.C.	W-502	38,089		1,390		1	
Woodstone Utilities, Inc., Knightdale, N.C.	W-629	6,848		50		1	
Woodvalley Utilities, Inc., Knightdale, N.C.	W-645	3,539		65		1	
Yadkin Water Corp., Jonesville, N.C.	W-585	2,918		27		3	
Yost, J M., Salisbury, N C.	W-514	720		12		1	
No. of Companies — 403		$6,251,038	$1,125,051	71,582	13,610	760	65

FIGURE NO. 51

Comparative Monthly Charges for Residential
Water Service in North Carolina
at December 31, 1978

Non-Regulated Systems

Publicly Owned Systems	Inside City Limits			Outside City Limits		
	3,000 gal.	6,000 gal.	9,000 gal.	3,000 gal.	6,000 gal.	9,000 gal.
Asheville	$4.16	$7.96	$11.76	$4.16	$ 7.96	$11.76
Charlotte	2.15	3.43	4.71	4.30	6.85	9.42
Greensboro	2.48	4.84	7.16	6.40	12.56	18.64
Raleigh	2.55	5.10	7.64	5.10	10.20	15.28
Wilmington	2.88	5.36	7.84	5.76	10.72	15.68
Winston-Salem	2.24	4.48	6.72	3.36	6.72	10.08

Regulated Systems

Privately Owned Systems Regulated by Commission (Class "C" or Larger)	Inside Service Area		
	3, 000 gal.	6,000 gal.	9,000 gal.
Highest Rate	$8.40	$12.30	$16.50
Lowest Rate	1.50	3.00	4.50
Average Rate (non-weighted average)	5.07	7.77	10.54

FIGURE NO. 52

Comparative Monthly Charges for Residential
Sewer Service in North Carolina
at December 31, 1978

Non-Regulated Systems

Publicly Owned Systems	Inside City Limits			Outside City Limits		
	3,000 gal	6,000 gal.	9,000 gal.	3,000 gal.	6,000 gal.	9,000 gal
Asheville	$1.28	$2.56	$3.84	$1.28	$ 2.56	$ 3.84
Charlotte	2.99	5.11	7.23	5.98	10.22	14.46
Greensboro	1.44	2.88	4.32	1.44	2.88	4.32
Raleigh	2.08	4.17	6.26	4.16	8.34	12.52
Wilmington	3.52	6.48	9.44	7.04	12.96	18.88
Winston-Salem	1.60	3.20	4.80	2.40	4.80	7.20

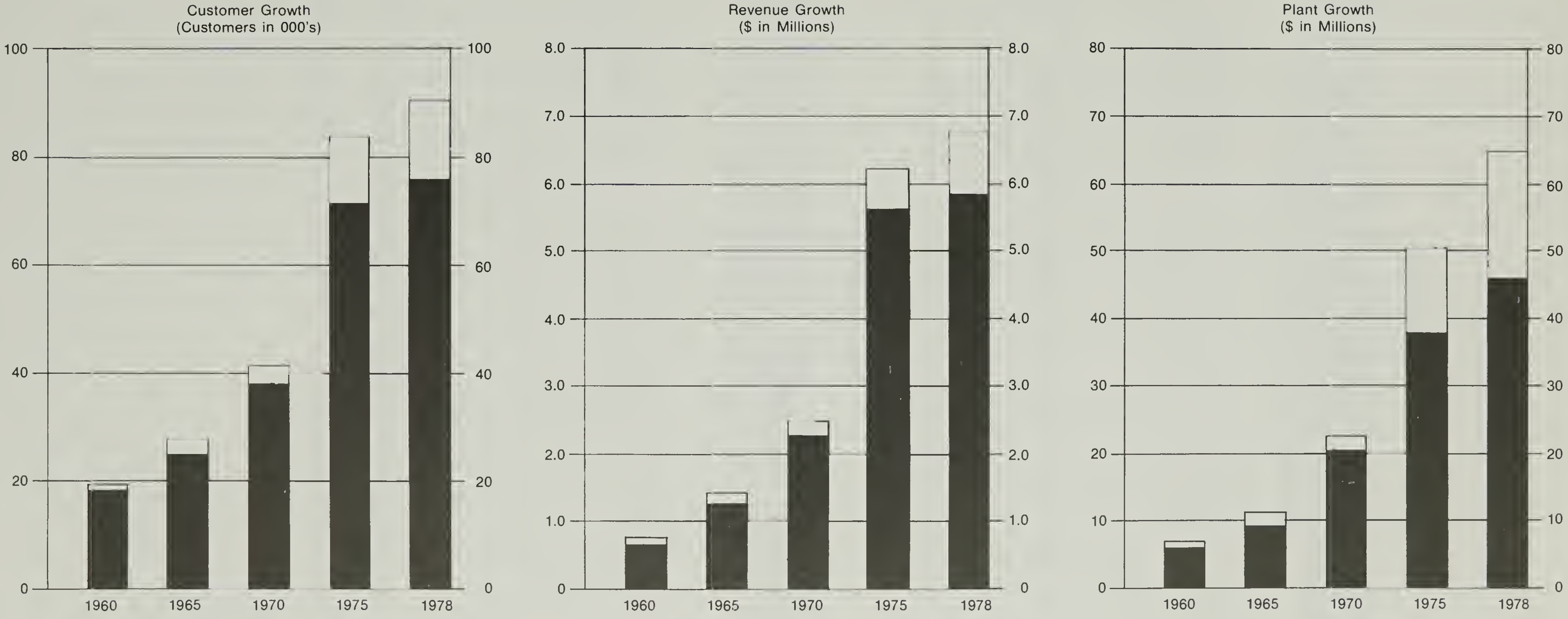
Regulated Systems

Privately Owned Systems Regulated in Commission (Class "C" or Larger)	Inside Service Area		
	3,000 gal.	6,000 gal.	9,000 gal.
Highest Rate	$15.00	$15.40	$20.00
Lowest Rate	1.20	2.40	3.60
Average Rate (non-weighted average)	6.98	9.17	11.31

FIGURE NO. 53

CUSTOMER, REVENUE, AND PLANT GROWTH OF ALL REGULATED WATER & SEWER COMPANIES IN NORTH CAROLINA

FOR THE PERIOD 1960-1978



	1960	1965	1970	1975	1978
Water: customers—	19,300	24,030	38,700	71,000	71,000
revenues —	734,000	1,260,100	2,223,700	5,600,000	6,251
plant —	6,198,900	9,693,500	20,086,100	37,000,000	47,000,000
Sewer: customers—	600	2,470	5,300	13,000	14,000
revenues —	22,800	129,500	244,900	600,000	1,125
plant —	192,600	996,400	2,161,800	13,000,000	18,000,000
Number of Companies	94	117	158	349	403

FIGURE NO. 54

SELECTED FINANCIAL AND STATISTICAL DATA OF 7 COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION DATA FOR THE YEAR ENDED DECEMBER 31, 1978

	Revenue (Total)	Operation & Maintenance Expenses	Dep'n. & Amort.	Taxes			Total Operating Expense	Operating Ratio — %	Interest	Other Income & Expense	Total Income Deductions	Net Income
				Federal Income	State Income	Other						
WATER:												
Brookwood Water Corp.	$ 247,817	$ 170,397	$ 43,039	$ 500	$ 2,073	$ 22,814	$ 238,823	96.4%	$16,736	$ 9,029	$ 264,588	$ (16,771)
Duke Power Co.	439,779	329,662	75,948	-0-	-0-	60,045	465,655	105.9	-0-	-0-	465,655	(25,876)
Heater Utilities	244,099	184,317	49,612	-0-	-0-	21,179	255,108	104.5	15,243	4,167	274,518	(30,419)
Lafayette Water Corp.	438,008	272,610	86,747	(407)	2,646	41,754	403,350	92.1	10,613	-0-	413,963	24,045
LaGrange Waterworks Corp.	161,874	88,967	12,523	2,508	2,743	12,404	119,145	73.6	5,489	(964)	123,670	38,204
Piedmont Const. & Water Co.	180,094	177,030	27,483	(976)	1,110	15,413	220,060	122.2	1,648	(59,985)	161,723	18,371
Quality Water Supplies, Inc.	137,991	89,078	21,219	4,718	1,828	10,190	127,033	92.1	760	(331)	127,462	10,529
Total — Water Utilities	$1,849,662	$1,312,061	$316,571	$ 6,343	$10,400	$183,799	$1,829,174	98.9%	$50,489	$(48,084)	$1,831,579	$ 18,083

FIGURE NO. 55

SELECTED FINANCIAL AND STATISTICAL DATA OF 7 COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION DATA FOR THE YEAR ENDED DECEMBER 31, 1978

	Revenue (Total)	Operation & Maintenance Expenses	Dep'n. & Amort.	Taxes			Total Operating Expense	Operating Ratio—%	Interest	Other Income & Expense	Total Income Deductions	Net Income
				Federal Income	State Income	Other						
WATER/SEWER:												
Carolina Water Service of N.C. ...	$ 125,642	$ 127,354	$ 14,549	$ -0-	$ 100	$ 9,822	$ 151,825	120.8%	$ 5,037	$ -0-	$ 156,862	$ (31,220)
Cumberland Water Co., Inc.	359,371	320,583	126,005	21,363	3,077	29,693	500,721	139.3	-0-	(38,107)	426,614	(103,243)
Mercer Environmental Corp.	196,880	140,214	32,230	37	2,061	14,207	188,749	95.9	3,414	(2,308)	189,855	7,025
Montclair Water Co.	362,367	257,962	57,433	8,121	2,501	31,839	357,856	98.8	29,391	1,486	388,733	(26,366)
Pinehurst, Inc.	161,601	356,314	151,934	-0-	-0-	23,281	531,529	328.9	-0-	-0-	531,529	(369,928)
Transylvania Utility Co.	276,040	242,300	12,474	-0-	-0-	21,899	276,673	100.2	-0-	-0-	276,673	(633)
Waterco, Inc.	160,802	164,762	51,492	-0-	-0-	8,892	225,146	140.0	-0-	(2,012)	223,134	(62,332)
Total — Water/Sewer Utilities	$1,642,703	$1,609,489	$446,117	$29,521	$ 7,739	$139,633	$2,232,499	135.9%	$37,842	$(40,941)	$2,229,400	$(586,697)
Grand Totals	$3,492,365	$2,921,550	$762,688	$35,864	$18,139	$323,432	$4,061,673	116.3%	$88,331	$(89,025)	$4,060,979	$(568,614)

FIGURE NO. 54

SELECTED FINANCIAL AND STATISTICAL DATA OF 7 COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION DATA FOR THE YEAR ENDED DECEMBER 31, 1978

Plant Account Items			Contributions* In Aid of Construction	Plant* Acquisition Adjustment	Customers (Total)	Water Consumption (000's Gallons) (Total)	Oper. & Maint. Expense Per Total Customer	Total Expense Per Total Customer	Gross Plant Investment Per Total Customer	Dep'n. Expense as % of Gross Plant	Residential Revenue (Metered)	Residential Customers (Metered)	Residential Water Used (Metered) (000's Gallons)	Average Gallons used per Residential Customer	Average Revenue Per Res. Customer
Gross	Accum. Dep'n.	Net													
$ 1,419,202	$ 288,866	$ 1,130,336	$ 948,677	$ -0-	2,772	249,044	$ 61.47	$ 95.45	$ 511.98	3.0%	$ 228,877	2,757	249,044	90,332	$ 83 02
3,817,590	614,990	3,202,600	-0-	-0-	3,667	971,117	89.90	126.99	1,041.07	2.0	171,626	3,153	199,047	63,129	54 43
3,510,908	635,535	2,875,373	274,458	2,532,470	1,927	129,252	95.65	142.46	1,821.96	1 4	238,763	1,814	121,218	66,824	131 62
2,625,809	695,981	1,929,828	1,218,680	-0-	5,262	432,495	51.81	78.67	499.01	3.3	410.668	5,062	412,352	81,460	81 13
765,016	136,276	628,740	382,039	46,234	1,573	133,868	56.56	78.62	486.34	1 6	157,996	1,552	129,932	83,719	101 80
277,902	153,263	124,639	-0-	-0-	1,564	43,504	113.19	103.40	177.69	9.9	112,540	966	42,213	43,699	116.50
534,065	128,974	405,091	379,234	-0-	1,249	111,124	71.32	102.05	427.59	4 0	133,107	1,242	108,208	87,124	107 17
$12,950,492	$2,653,885	$10,296,607	$3,203,088	$2,578,704	18,014	2,070,404	$ 72.84	$101 68	$ 718.91	2.4%	$1,453,577	16,546	1,262,014	76,273	$ 87.85

FIGURE NO. 55

SELECTED FINANCIAL AND STATISTICAL DATA OF 7 COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION DATA FOR THE YEAR ENDED DECEMBER 31, 1978

Plant Account Items			Contributions* In Aid of Construction	Plant* Acquisition Adjustment	Customers (Total)	Water Consumption (000's Gallons) (Total)	Oper. & Maint. Expense Per Total Customer	Total Expense Per Total Customer	Gross Plant Investment Per Total Customer	Dep'n. Expense as % of Gross Plant	Residential Revenue (Metered)	Residential Customers (Metered)	Residential Water Used (Metered) (000's Gallons)	Average Gallons used per Residential Customer	Average Revenue Per Res Customer
Gross	Accum. Dep'n.	Net													
$ 1,443,015	$ 207,731	$ 1,235,284	$ 469,935	$ 284,942	1,753	N/A	$ 72.65	$ 89.48	$ 823.17	1 0%	$ 124,707	1,753	N/A	N/A	$ 71.14
2,874,972	930,820	1,944,152	2,077,950	-0-	5,064	303,878	63.31	91.35	567.73	4 4	316,157	4,605	269,892	58,608	68.66
1,083,942	158,480	925,462	883,375	-0-	1,737	117,962	80.72	109.30	624 03	3.0	155,925	895	74,944	83,736	174 22
1,921,104	510,953	1,410,151	1,914,939	-0-	5,252	225,747	49.12	74.02	365.79	3 0	271,094	3,150	195,000	61,905	86 06
6,649,730	1,007,450	5,642,280	-0-	-0-	1,635	134,317	217.93	325.09	4,067 11	2.3	89,125	1,525	77,472	50,801	58 44
45,997	1,268	44,729	111,289	-0-	4,882	N/A	49.63	56.67	9.42	27 1	N/A	N/A	N/A	N/A	N/A
1,385,517	203,522	1,181,995	1,221,973	-0-	1,555	115,618	105.96	143.49	891 01	3 7	160,802	1,555	115,618	74,352	103 41
$15,404,277	$3,020,224	$12,384,053	$6,679,461	$ 284,942	21,878	897,522	$ 73.57	$101.90	$ 704.10	2 9%	$1,117,810	13,483	732,926	54,329	$ 82.91
$28,354,769	$5,674,109	$22,680,660	$9,882,549	$2,863,646	39,892	2,967,926	$ 73 24	$101.80	$ 710.79	2 7%	$2,571,387	30,029	1,994,940	66,435	$ 85 63

VIII. Securities, Audits And Annual Reports

SECURITIES, AUDITS AND ANNUAL REPORTS

A. SECURITIES ISSUES—COMMENTS

The Commissioners approved eighteen (18) applications for the issuance of electric, gas, telephone and other securities and borrowings during 1978, compared to twenty-six (26) in 1977 and twenty-three (23) in 1976. The 1978 applications covered securities totaling $632,932,000, compared to $608,035,000 in 1977 and $321,131,000 in 1976.

The securities applications are processed by personnel in the Finance, Statistics, Budget & Planning Division of the Commission Staff, and reports and recommendations are made to the Commissioners. These reports evaluate and consider the present and projected earnings position of the company, the effect of the projected issue on the company's capital structure, expense of the issue, estimated net yield, probable market price per unit, the purpose of the issue and the use to which the proceeds are to be applied, whether the issue is within corporate authority of the applicant, and whether the issue is compatible with the overall public interest.

The new capital raised through the sale of securities is primarily for the replacement of short-term borrowings, which have been used largely in utility plant expansion and modernization and improvement of existing plant to meet increased demands for additional and improved service. Figure No. 56 shows detailed data for each securities issue approved by the Commissioners in 1977 and 1978.

B. AUDITS—COMMENTS

Personnel of the Commission's Public Staff Accounting Division perform extensive field audits of the operations of public utilities. The results of each of these audits, and where applicable, the recommendation for action, are a part of the Public Staff's position on matters before the Commission and they are filed with the Chief Clerk as an official document if they are part of a general rate case proceeding. A brief summary of audits and special studies for 1977 and 1978 follows:

Utility and Type Audit	**Number of Examinations**	
	1977	**1978**
Electric:	7	5
Gas:		
General Rate Cases & Earnings Investigations	2	2
Increased Cost of Purchased Gas, Exploration Surcharges, and Emergency Gas Curtailments	19	23
Telephone:	13	7
Water and Sewer:	31	24
Motor Freight and Motor Passenger:		
Rates & Tariffs	26	29
TOTAL	98	90

C. ANNUAL REPORTS—COMMENTS

For the years 1977 and 1978, there were 1,280 and 1,294 utilities respectively required to file annual reports of their operations with the Commission. This number includes 81 non-regulated municipal utility systems. The regulated utilities and the municipal utility systems annual reports, required to be filed with the Commission, are prepared on forms furnished them by the Commission's Public Staff Accounting Division. All completed and returned annual reports of the larger utilities are reviewed in detail for compliance with the Uniform System of Accounts.

FIGURE NO. 56

SECURITIES — NEW CAPITAL (Primarily)
For the Calendar Year 1977
Amount Authorized for Total Company Operations
($ Amount and No. Shares in 000's)

Name of Company	Docket No.	Date of Order	Total Amount				Bonds & Debenture Data			Common & Preferred Stock Data				
			Face Value	Net to Company	Stated Interest Rate or Offering Prices	Yield at Offering	Bonds & Debentures	Bond Rating	No. of Shares Sold	Common Stock	Preferred Stock	Leases, Sales and Leasebacks	REA & Other Notes and Advances	How* Sold
ELECTRIC:														
Carolina Power & Light Co.	E-2, Sub 310	9-22-77	$100,000	$ 99,825	8.50%	8.47%	$100,000	A						C
	E-2, Sub 315	10-6-77	(A)						1,300	(A)				
Duke Power Co.	E-7, Sub 218	3-10-77	116,875	113,630	$21.25S.H.				5,500	116,875				C
			25,000	24,702	8.20%	8.20%			250		25,000			C
	E-7, Sub 224	6-8-77	(B)						1,500	(B)				
	E-7, Sub 225	7-6-77	125,000	123,201	8⅛%	8.19%	125,000							C
			50,000(C)	50,226	8.28%	8.17%		A	500		50,000			C
Nantahala Power & Light Co.	E-13, Sub 30	6-30-77	4,000	4,000	8⅞%			BAA					$ 4,000(D)	
Totals			$420,875	$416,584			$225,000			$116,875	$75,000		$ 4,000	
GAS:														
N.C. Natural Gas Corp.	G-21, Sub 175	9-15-77	$ 12,000	$ 12,000	8¾%		$ 12,000	BAA						P
	G-21, Sub 176	9-27-77	5,000	5,000	Tied To Prime Rate Min 7¼%-Max 10¼%								$ 5,000(E)	
Piedmont Natural Gas Co., Inc.	G-9, Sub 172	8-19-77	30,000	29,527	8.58%	8.69%	30,000	BAA						C
Public Service Co. of N.C., Inc.	G-5, Sub 131	5-31-77	5,000	5,000	8.0%				200		$ 5,000			P
	G-5, Sub 133	7-6-77	10,000	10,000	9.0%		10,000							N
Totals			$ 62,000	$ 61,527			$ 52,000				$ 5,000		$5,000	
TELEPHONE:														
Barnardsville Tel. Co.	P-75, Sub 19	5-18-77	$ 725	$ 725	5.0%								$ 725(F)	
Central Telephone Co.	P-10, Sub 366-Ltr.	3-7-77	1,000	1,000					N. Appl. (G)	$ 1,000				
	P-10, Sub 371	7-20-77	42,500	42,128	8¼%	8.32%	$ 42,500	AA						N
	P-10, Sub 372-Ltr	9-12-77	3,000	3,000					N. Appl. (G)	3,000				
	P-10, Sub 374	12-16-77	35,000	34,694	8.55%	8.55%	35,000	AAA						N
	P-10, Sub 375-Ltr.	12-19-77	1,500	1,500					N. Appl. (G)	1,500				
Concord Telephone Co.	P-16, Sub 132	9-19-77	(A)						225(Actual)	(A)				
Continental Telephone Co.	P-28, Sub 24	9-27-77	10,000	10,000	8⅝%		10,000							P
Ellerbe Telephone Co.	P-21, Sub 32	4-13-77	435	435	2.0%								435(H)	
General Tel. of the S.E.	P-19, Sub 167	5-5-77	14,000	14,000	8⅜%		14,000	A						P
Norfolk-Carolina Tel. Co.	P-40, Sub 145	5-11-77	2,500	2,500	8.80%		2,500	BAA						P
North State Telephone Co.	P-42, Sub 88	3-3-77	1,000	1,000	8¼%				10		$ 1,000			
			2,000	2,000	8¼%								2,000(I)	
Randolph Telephone Co.	P-61, Sub 57	3-3-77	(J)						1,097(Actual)	(J)				
Western Carolina Tel. Co.	P-58, Sub 107	10-24,77	3,000	3,000	8⅝%		3,000							P
Westco Telephone Co.	P-78, Sub 43	12-14-77	8,500		(K)								8,500(K)	
Totals			$125,160	$115,982			$107,000			$ 5,500	$ 1,000		$11,660	
GRAND TOTALS			$608,035	$594,093			$384,000			$122,375	$81,000		$20,660	

FOOTNOTES:

*C: Competitive Bidding; N: Negotiated; P: Private Placement
(A) Employee Stock Ownership Plan
(B) Employee Stock Purchase Savings Program
(C) Preferred actually sold to public for $101.35 — Net to Duke $100.453, for a total of $50,226,500.
(D) 20 year notes — Jefferson Standard Life Ins. Co.
(E) 10 year unsecured notes — First Union Bank of N.C.
(F) 35 year mortgage note — 5% — REA
(G) Direct conversion of advances by parent company into common equity capital of subsidiary.
(H) 35 year mortgage note — 2% — REA
(I) 30 year notes at face-value to institutional investors.
(J) Issuance of 1,097 shares common stock, $100 par value per share ($109,700) as a 100% stock dividend to present owners of 1,097 shares common stock.
(K) Funds are drawn-down as needed. Interest rates are determined at time of drawn-down, and are based on the average of the composite rates of various types of government securities sold on this date.

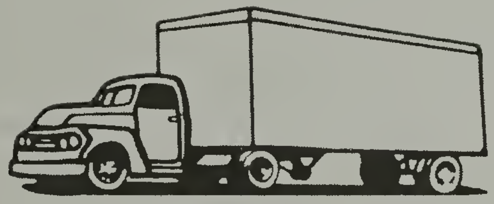
FIGURE NO. 56—Continued

SECURITIES ISSUES—NEW CAPITAL (Primarily)
For the Calendar Year 1978
Amount Authorized for Total Company Operations
($ Amount and No. Shares in 000's)

			Total Amount				Bonds & Debenture Data			Common & Preferred Stock Data				
Name of Company	Docket No.	Date of Order	Face Value	Net to Company	Stated Interest Rate or Offering Price	Yield at Offering	Bonds & Debentures	Bond Rating	No. of Shares Sold	Common Stock	Preferred Stock	Leases, Sales and Leasebacks	REA & Other Notes and Advances	How* Sold
ELECTRIC:														
Carolina Power & Light Co.	E-2, Sub 327	4-19-78	(A)						1,500	(A)				
	E-2, Sub 329	5-24-78	$100,000	$ 99,310	9¼%	9.27%	$100,000	A						C
	E-2, Sub 331	6-27-78	57,000	57,000									$57,000(B)	P
	E-2, Sub 337	9-27-78	79,625	77,858					3,500	$ 79,625				N
Duke Power Co.	E-7, Sub 242	3- 2-78	110,000	106,652					5,500	110,000				N
	E-7, Sub 247	5-17-78	50,000	49,737	8.375%						$50,000			P
	E-7, Sub 250	6-19-78	(C)						850	(C)				
	E-7, Sub 252	7-20-78	125,000	123,244	9⅜%	9.50%	125,000	A						C
			40,000	39,933	8.84%				400		40,000			C
	E-7, Sub 259	12- 7-78	(D)						1,000	(D)				
Nantahala Power & Light Co.	E-13, Sub 33	7- 7-78	3,500	3,500	9⅛%								3,500(E)	P
Totals			$565,125	$557,234			$225,000			$189,625	$90,000		$60,500	
GAS:														
Pa. & Southern Gas Co.	G-3, Sub 86	7-13-78	$ 1,500	$ 1,500	9⅞%		$ 1,500	BAA						P
TELEPHONE:														
Carolina Tel. & Tel. Co.	P-7, Sub 627	4-13-78	$ 35,000	$ 34,387	9.0%	9.08%	$ 35,000							N
Central Telephone Co.	P-10, Sub 377-Ltr.	3-13-78	5,000	5,000					N. Appl. (F)	$ 5,000				
	P-10, Sub 381-Ltr.	9-11-78	8,000	8,000					N. Appl. (F)	8,000				
	P-10, Sub 382-Ltr.	12-21-78	13,000	13,000					N. Appl. (F)	13,000				
Concord Telephone Co.	P-16, Sub 134	3-22-78	500	500					5,681 (Actual) (G)	500				P
Norfolk-Carolina Tel. Co.	P-40, Sub 148	6-14-78	3,000	3,000									$ 3,000(H)	
Western Carolina Tel. Co.	P-58, Sub 112	12-11-78	307	307					15,358 (Actual) (I)	307				
			1,500	1,500									1,500(I)	
Totals			$ 66,307	$ 65,694			$ 35,000			$ 26,807			$ 4,500	
GRAND TOTALS			$632,932	$624,428			$261,500			$216,432	$90,000		$65,000	

FOOTNOTES:

*C: Competitive Bidding; N: Negotiated; P: Private Placement
(A) Stock Purchase — Savings Program for Employees
(B) Unconditional guarantee by CP&L for $57,000,000 of Promissory Notes to be issued by McInnes Coal Mining Company, a subsidiary.
(C) Duke Power to purchase 850,000 shares common stock at market price, from itself, and will be reserved and kept available for issuance and sale to its employees from time to time for Employees Stock Ownership Plan (ESOP).
(D) Dividend Reinvestment and Stock Purchase Plan.
(E) Senior notes to institutional investors.
(F) Direct conversion of advances by Parent Company into common equity capital of subsidiary.
(G) In addition to 5,681 new shares of Class B non-voting common stock sold, there was a 20% stock dividend resulting in additional 25,640.6 shares of the same class of stock issued.
(H) Cash contribution to capital surplus from Parent Company, United Telecommunications, Inc.
(I) Sale of 15,358 shares treasury stock to Parent, Continental Telephone Corp., for $20 per share. Further, to receive advances from Parent, Continental, during 1979 the sum of $1,500,000 to be converted by Western Carolina into common equity capital upon receipt. Companies merged May 19, 1978.



IX. The Transportation Industry - Motor Freight Carriers

A. GENERAL COMMENTS

Motor freight carriers are divided into three groups, according to average operating revenue. The history of motor freight carriers' size classification is as follows:

	Gross Operating Revenues		
Period & Source	**Class I**	**Class II**	**Class III**
1963-1969 R-2-48 (1963)	$1,000,000 or more	$200,000-$1,000,000	$200,000 or under
1970-1973 M-100, Sub 25 (9-15-69)	$1,000,000 or more	$300,000-$1,000,000	$300,000 or under
1974 M-100, Sub 53 (5-24-75)	$3,000,000 or more	$500,000-$3,000,000	$500,000 or under

The Class I and II carriers generally transport both intrastate and interstate freight while the Class III carriers predominately operate only in intrastate commerce.

There were 648 regulated motor freight carriers as of December 31, 1978, as compared to 644 in 1977 and 642 in 1976.

The 84 Class I carriers and 123 Class II carriers, which accounted for approximately 95% of the total motor freight revenues generated in North Carolina in 1978, operated 394 million vehicle miles in North Carolina during the same period. The vehicles of these carriers purchased and/or consumed in their State operations about 94.5 million gallons of gasoline and diesel fuel during 1978, and paid to North Carolina over 1.7 million in State income taxes.

The Commission issues certificates of exemption to motor carriers engaged in the transportation of commodities exempt from economic regulation either by statute or by administrative ruling of the Commission. Certificates of exemption are also issued to persons who own equipment for the purpose of leasing it. These exemption certificates are issued pursuant to the requirements of G.S. 62-266 and Article 2 of the Commission's Motor Carrier Rules and Regulations.

There were 5,834 outstanding exemption certificates as of December 31, 1977, and 6,718 as of December 31, 1978, an increase of 884.

B. DUTIES OF THE TRAFFIC — TRANSPORTATION DIVISION

Intrastate

The Commission Staff Transportation Division is charged with the economic and safety regulation of all certified motor freight carriers operating within the borders of the State. In addition, all motor freight carriers transporting commodities classified as exempt by the Commission are subject to the Commission's Motor Carrier Safety Regulations.

This division administers and enforces the Commission's insurance requirements applicable to all for-hire motor carriers except the intrastate exempt freight carriers. The insurance requirements for this latter segment of the industry are administered and enforced by the North Carolina Department of Motor Vehicles. All applications for new authority grants, transfers of certificates, and cancellations of certificates are handled through this Division. Also, all complaints relating to the quality of freight service, or the lack of it, are investigated by this Division.

The Public Staff Transportation Rates Division has the responsibility for maintaining up-to-date files of current rate and service tariffs of all intrastate transportation utility companies. In addition, the Public Staff reviews all applications for changes in territory or conditions of service, including new service applications and applications for new or amended rate tariffs. In contested rate cases, rulemaking investigations, abandonments, mergers and related matters, the Public Staff presents testimony in support of the position of the using and consuming public before the Commission.

The Public Staff has developed and implemented rate making rules and procedures designed to provide cost of service data for the North Carolina portion of service furnished by the various transportation companies under regulation. The purpose of the cost studies is to assure that the companies charge the lowest level of reasonable rates.

The Public Staff offers technical assistance to the Commission and the general public to assist in dealing with transportation matters; and investigates consumer complaints involving any regulated transportation utility company.

Motor carriers are required to register all tractors and trailers with the Commission Staff Transportation Division annually. If the motor carrier is in full compliance with this Commission's insurance requirements and other regulations, certification is then made to the North Carolina Department of Motor Vehicles that the carrier is eligible to purchase license plates for the registered vehicles. During the year 1978, approximately 42,816 tractors and trailers were registered with this Division of the Commission.

Interstate

The regulations of this Commission require that all for-hire motor carriers in interstate commerce over the highways of this State register their authority with this Commission; that the vehicles of such carriers be registered with this Commission annually and that the vehicles be identified with a North Carolina Utilities Commission identification stamp on a uniform cab card when operating in this State.

At December 31, 1978, approximately 8,936 interstate motor carriers were registered with this Commission. During the year, approximately 238,122 interstate vehicles operated by these carriers were registered and a like number of North Carolina identification stamps were issued.

The interstate carriers are subject to the same insurance requirements as are the intrastate motor carriers. Also, all interstate for-hire carriers are subject to the Motor Carrier Safety Regulations of the Commission.

C. COMMISSION ACTIVITIES

During 1977, a total of 70 or 26.7% of the Commission's 262 formal hearings were related to the trucking industry; for 1978, the number of truck hearings decreased to 38, and represented 16.9% of the 225 formal hearings.

A major reason for the decline in formal hearings in 1978 was that the Commission settled several tariff filings involving rate changes based on Public Staff and Commission Staff studies and recommendations presented at Monday morning Conference sessions. During these sessions if there were no protests and the need for the requested changes in rates were either sanctioned by or undisputed by the Public Staff and/or the Commission Staff, they were allowed to become effective without holding a formal hearing as had been the recent past practice.

While many of the hearings and work of the Commission related to the trucking industry revolves around requests for new certificates, transfers, and sales of certificates, the net results of these activities leave the total number of franchises and permits virtually unchanged. The following tabulation by type of motor carrier is illustrative:

Type	1970	1975	1976	1977	1978
Common	530	524	528	530	532
Contract	72	86	88	88	89
Common & Contract	22	21	21	21	22
Railroad Motor	5	5	5	5	5
	629	636	642	644	648

"Common carrier by motor vehicle" means any person which holds itself out to the general public to engage in the transportation by motor vehicle in intrastate commerce of persons or property or any class or classes thereof for compensation, whether over regular or irregular routes, except as exempted in G.S. 62-260.

"Contract carrier by motor vehicle" means any person which, under an individual contract or agreement with another person and with such additional persons as may be approved by the Utilities Commission, engages in the transportation other than the transportation referred to in the above paragraph, by motor vehicle of persons or property in intrastate commerce for compensation, except as exempted in G.S. 62-260.

Figure No. 57 shows the yearly trend in vehicle miles operated for the years 1965, 1970, and 1975-1978 by the Class I and II motor freight carriers. Vehicle miles operated in North Carolina by the Class I and II carriers increased from 371,616,000 miles in 1977 to 394,171,000 miles in 1978, for a 6.1% increase in 1978 over 1977. For the same period the number of Class I and II carriers increased from 201 to 207 for an increase of 2.9% over 1977.

Figure No. 60 shows the yearly trend in operating revenues allocated to North Carolina for the Class I and II motor freight carriers for the years 1965, 1970, and 1975-1978. Operating revenues allocated to North Carolina operations for the 207 Class I and II carriers increased in 1978 over 1977 by $42,000,000, or 8.8%, for an all-time high of over $517 million. The method herein used to allocate operating revenues to North Carolina is based on miles operated in North Carolina to total miles operated. This method results in the amount allocated to North Carolina having in it both North Carolina intrastate and interstate generated revenues. *For ratemaking purposes only, North Carolina intrastate revenues and expenses are included.* To arrive at the intrastate portion only a very detailed separations study, such as the Continuing Traffic Study, is required. For trend studies in revenues, expenses, and operating statistics, the mileage ratio method of allocation between systemwide and North Carolina operations is useful.

Systemwide data for these same carriers shows an increase in 1978 over 1977 of 20.6% in operating expenses, resulting in an operating ratio for 1978 of 93.5%. The operating ratio is the percent relationship of total operating expenses to total operating revenues — the lower the operating ratio, the more profitable the operation.

A list of the Class I and II motor freight carriers, with selected operating financial data, is shown in Figure Nos. 58 and 59. Data for the Class III motor freight carriers is listed on Figure No. 61.

Additional statistical data for all Class I and II motor freight carriers operating in North Carolina is shown on Figure No. 62. This statistical data includes only the Class I and II carriers since these carriers, even though minor in the total number of carriers under regulation in North Carolina, accounts for about 95% of the freight revenues received by the regulated motor freight industry.

The number of carriers in each classification changes each year because of the companies growth in revenues and the changes every few years in the level of revenues required to qualify for the Class I and II classifications. Because of those annual changes in numbers of carriers in each classification, the data is not comparable between years except for some of the unit data such as average freight revenue per ton mile.

FIGURE NO. 57

MOTOR FREIGHT CARRIERS—CLASS I & II

Vehicle Miles Operated in North Carolina
For the Calendar Years 1965, 1970, 1975-1978

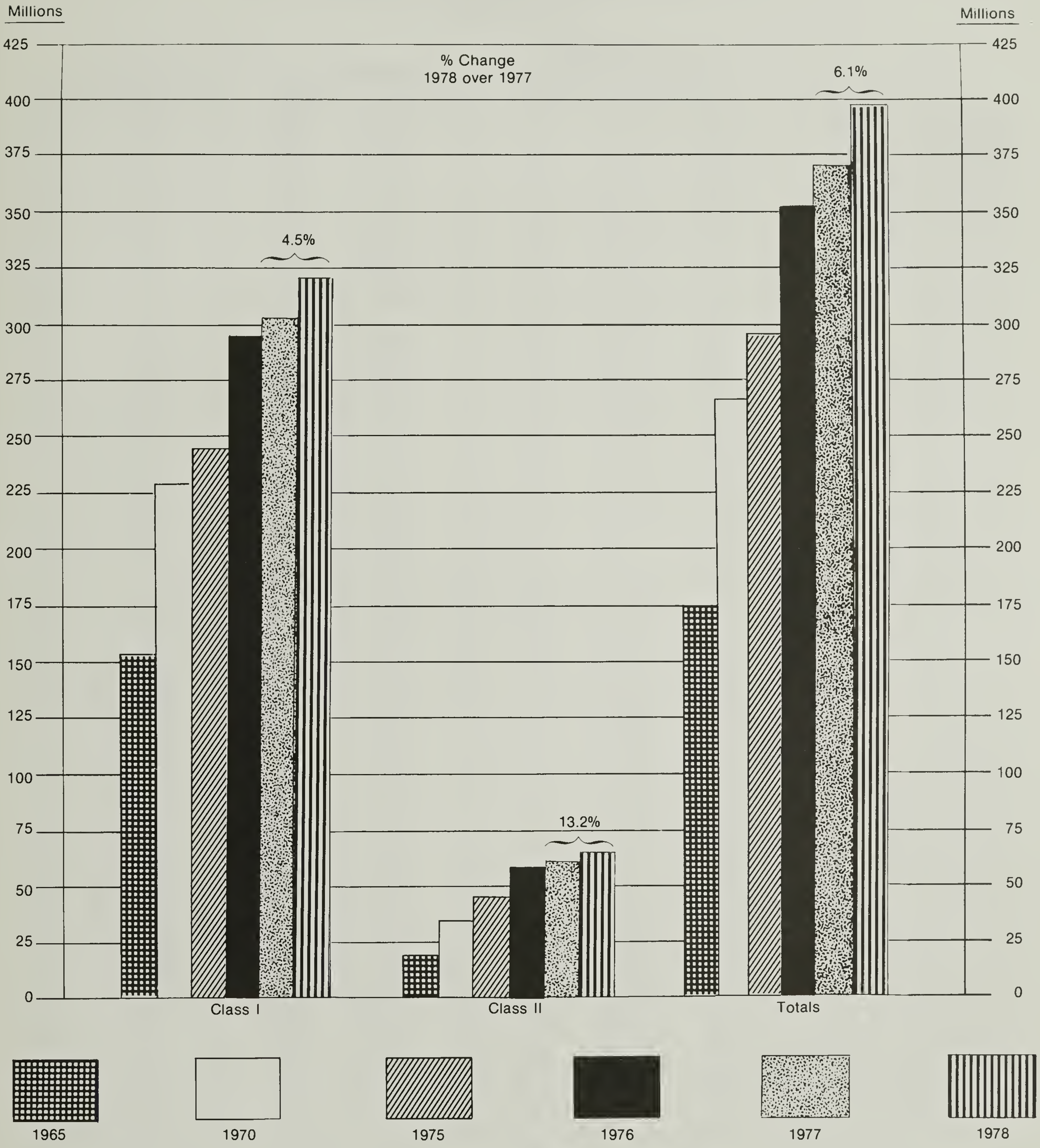


FIGURE NO. 58

MOTOR FREIGHT CARRIERS — CLASS I

Income, Expenses, Operating Ratios and Net Income Data for the Years 1977 and 1978 (North Carolina and Total System)

(Dollars in 000's)

	North Carolina		Total System			
	Operating Revenues		Operating Revenues		Operating Expenses	
	1977	1978	1977	1978	1977	1978
Arkansas-Best Freight System, Inc.	$ 5,574	$ 6,896	$ 111,934	$ 135,894	$ 102,996	$ 125,290
Associated Petroleum Carriers, Inc.	5,194	6,263	24,750	25,778	24,392	25,187
B&L Motor Freight, Inc.	X	-0-	X	49,717	X	49,469
B&P Motor Lines, Inc.	-0-	773	5,925	6,603	5,920	6,412
Billings Transfer Corp., Inc.	2,278	2,475	7,596	8,431	6,521	7,457
Boone, A.G. Co., The	5,727	5,879	9,170	9,443	8,709	8,956
Brown Transport Corp.	6,337	10,131	66,847	81,703	59,948	73,887
Builders Transport, Inc.	39	193	13,336	18,697	12,622	16,640
Burnham Van Service of N.C., Inc.	1,573	1,806	21,706	25,340	20,545	23,962
Burton Lines, Inc.	1,193	1,109	5,007	6,508	4,759	6,206
Byrd Motor Lines, Inc.	830	1,004	4,612	5,282	4,467	4,988
Carolina Freight Carriers Corp.	27,235	30,000	156,520	190,566	149,488	181,491
Central Transport, Inc.	2,005	2,743	11,608	14,522	9,915	12,145
Chemical Leaman Tank Lines, Inc.	4,513	5,598	135,450	163,178	125,328	149,763
Coast Refrigerated Trucking Co.	508	655	4,095	5,506	3,832	5,140
Colonial Motor Freight Lines, Inc.	3,854	4,659	9,858	11,671	8,742	10,548
Consolidated Freightways Corp. of Del.	5,907	7,960	613,482	758,443	546,770	678,325
Crete Carrier Corp.	X	-0-	X	21,584	X	19,564
DeHart Motor Lines, Inc.	2,144	1,917	4,372	4,277	4,199	4,247
Dewitt, L.G., Inc.	400	405	4,766	6,197	4,753	5,907
Edwards Trucking, Inc.	33	897	2,951	4,754	2,785	4,211
Electronics Transport, Inc.	675	823	3,672	5,279	3,478	5,093
Epes Transport System, Inc.	4,179	4,624	9,131	9,993	8,352	9,226
Estes Express Lines, Inc.	16,756	20,166	26,083	30,805	23,999	27,995
Fernstrom Storage & Van Co.	283	583	7,645	8,602	8,592	9,499
Financial Courier Corp.	2,986	N/R	3,737	N/R	3,295	N/R
Fleet Transport Co., Inc.	2,698	3,169	28,359	29,976	26,311	27,947
Forbes Transfer Co., Inc.	2,118	2,052	3,402	3,913	3,123	3,692
Fredrickson Motor Express Corp.	12,437	14,809	13,264	15,778	11,947	14,405
Goldston Transfer Inc.	111	46	111	46	111	83
Guignard Freight Lines, Inc.	1,269	1,601	5,927	6,529	5,459	5,701
H&W Trucking Co.	76	-0-	2,306	3,260	1,991	2,857
Hemingway Transport, Inc.	2,059	-0-	39,825	50,995	40,671	50,446
Henry, C.S., Transfer, Inc.	812	935	2,806	3,244	2,516	2,851
Holly Farms Poultry Industries	1,405	2,116	7,838	10,033	8,325	10,416
Home Transportation Co., Inc.	1,410	1,657	29,017	35,556	26,490	32,656
Indianhead Truck Lines, Inc.	9	-0-	28,994	32,173	28,081	31,022
Infinger Transportation Co., Inc.	2	14	5,469	5,824	5,304	5,393
J&M Transportation Co., Inc.	X	-0-	X	24,057	X	22,388
Johnson, Bruce, Trucking Co., Inc.	1,956	4,711	5,512	9,933	5,381	9,591
Johnson Motor Lines, Inc.	12,036	13,965	86,361	96,333	84,473	94,697
Kenan Transport Co., Inc.	3,826	4,602	8,248	9,173	7,625	8,544
Kenosha Auto Transport Corp.	310	322	33,667	41,235	33,449	40,423
Laney Tank Lines, Inc.	120	199	5,666	6,106	4,899	5,204
Langer Transport Corp.	X	-0-	X	7,038	X	6,765
Lawrence Traffic & Storage Corp.	32	288	3,425	3,808	3,803	4,374
McClendon, Glen, Trucking Co., Inc.	58	56	12,398	18,169	12,045	17,183
McLean Trucking Co.	42,905	46,636	396,208	447,552	369,937	424,600
Merchant's Home Delivery Service, Inc.	-0-	-0-	9,817	14,129	8,680	12,560
Mitchell Transport, Inc.	344	274	24,527	27,088	21,771	24,251
Morgan Drive-Away, Inc.	901	924	28,504	33,877	26,873	31,385
Moss Trucking Co., Inc.	2,282	2,637	9,739	11,215	9,340	10,702
Motor Convoy, Inc.	4,184	5,430	31,430	35,685	30,902	35,640
Murrow's Transfer, Inc.	336	346	6,388	7,092	5,916	7,108
National Freight, Inc.	1,602	169	49,960	55,440	48,409	55,053
National Refrigerated Transport, Inc.	X	-0-	X	6,807	X	6,692
National Trailer Convoy, Inc.	492	680	23,619	28,674	23,761	28,371
O'Boyle Tank Lines, Inc.	3,713	N/R	18,329	N/R	17,747	N/R
Observer Transportation Co.	2,017	2,394	2,962	3,510	2,652	3,133
Old Dominion Freight Line	12.689	15,900	41,775	49,089	37,757	44,226
Oliver Trucking Co., Inc.	-0-	-0-	3,016	3,131	2,721	2,825
Overnite Transportation Co.	40,910	40,591	155,902	194,791	131,565	167,478
Parsons, G.G., Trucking Co.	39	36	3,314	3,789	3,193	3,598
Purolator Courier Corp.	-0-	-0-	114,435	132,198	104,810	119,462
R.C. Motor Lines, Inc.	N/R	N/R	N/R	N/R	N/R	N/R
Redwing Carriers, Inc.	-0-	-0-	13,050	18,062	13,450	17,702
Russ Transport, Inc.	402	393	3,195	3,929	2,647	3,316
S&W Motor Lines, Inc.	682	1,212	2,584	3,912	3,086	3,592
Schwerman Trucking Co.	1,041	1,531	73,257	92,031	70,072	88,185
Seacoast Transportation Co.	195	130	4,465	5,884	4,458	5,241
Signal Delivery Service, Inc.	6,751	7,334	154,429	173,210	143,848	162,877
Smith, Aaron, Trucking Co., Inc.	4,360	4,905	4,360	4,905	4,337	4,894
Standard Trucking Co.	11,625	12,882	21,293	23,003	19,782	21,138
Super-Trans, Inc.	23,807	27,218	112,427	128,860	106,765	122,184
Superior Trucking Co., Inc.	1,109	1,273	21,831	25,830	20,186	23,808
Textile Motor Freight, Inc.	608	688	4,402	4,828	4,416	4,715
Thurston Motor Lines, Inc.	21,068	24,624	69,695	82,707	61,690	73,485
Transit Homes, Inc.	412	398	6,407	6,763	6,289	6,687
Underwood & Weld Co., Inc.	72	127	2,857	3,499	2,716	3,313
United Parcel Service, Inc.	65,118	70,366	1,628,858	1,938,867	1,493,666	1,824,993
Vance Trucking Co., Inc.	1,243	1,594	4,644	5,582	4,524	5,221
Watkins Motor Lines, Inc.	2,187	2,593	52,907	66,479	48,957	62,128
Williamson Truck Lines, Inc.	660	848	3,884	4,541	3,810	4,402
Wilson Freight Co.	3,001	4,603	126,854	158,460	122,940	160,762
Totals (84 Carriers listed above)	399,722	446,837	4,818,172	5,827,371	4,450,084	5,443,973

N/R — Not available, report not submitted or in dormant status.

X — Began operations in 1978.

FIGURE NO. 58—Continued

MOTOR FREIGHT CARRIERS—CLASS I

Income, Expenses, Operating Ratios and Net Income Data for the Years 1977 and 1978 (North Carolina and Total System)

(Dollars in 000's)

Total System

Operating Ratios		Net Operating Revenue		Other Income (Deductions) Net—Including Income Taxes		Net Income After Taxes	
1977	1978	1977	1978	1977	1978	1977	1978
92.0%	92.2%	$ 8,938	$10,604	$ (4,128)	$ (4,783)	$ 4,810	$ 5,821
98.6	97.7	358	591	(85)	(160)	273	431
X	99.5	X	248	X	-0-	X	248
99.9	97.1	5	191	(12)	(28)	(7)	163
85.8	88.4	1,075	974	(461)	(431)	614	543
95.0	94.8	461	487	(197)	(139)	264	348
89.7	90.4	6,899	7,816	(998)	(1,285)	5,901	6,531
94.6	89.0	714	2,057	(516)	(995)	198	1,062
94.7	94.6	1,161	1,378	(601)	(632)	560	746
95.0	95.4	248	302	(64)	(87)	184	215
96.9	94.4	145	294	(22)	(9)	123	285
95.5	95.2	7,032	9,075	(4,248)	(5,397)	2,784	3,678
85.4	83.6	1,693	2,377	(606)	(885)	1,087	1,492
92.5	91.8	10,122	13,415	(4,554)	(6,624)	5,568	6,791
93.6	93.4	263	366	(121)	(192)	142	174
88.7	90.4	1,116	1,123	(416)	(333)	700	790
89.1	89.4	66,712	80,118	(28,859)	(34,876)	37,853	45,242
X	90.6	X	2,020	X	-0-	X	2,020
96.0	99.3	173	30	(108)	(7)	65	23
99.7	95.3	13	290	(164)	(153)	(151)	137
94.4	88.6	166	543	(109)	(325)	57	218
94.7	96.5	194	186	(81)	(66)	113	120
91.5	92.3	779	767	(184)	(266)	595	501
92.0	90.9	2,084	2,810	(1,031)	(1,385)	1,053	1,425
112.4	110.4	(947)	(897)	585	707	(362)	(190)
88.2	N/R	442	N/R	(312)	N/R	130	N/R
92.8	93.2	2,048	2,029	(938)	(1,009)	1,110	1,020
91.8	94.4	279	221	(19)	(36)	260	185
90.1	91.3	1,317	1,373	(672)	(561)	645	812
100.0	180.4	-0-	(37)	(5)	18	(5)	(19)
92.1	87.3	468	828	(177)	(366)	291	462
86.3	87.6	315	403	(47)	(77)	268	326
102.1	98.9	(846)	549	75	(185)	(771)	364
89.7	87.9	290	393	(34)	(122)	256	271
106.2	103.8	(487)	(383)	19	(8)	(468)	(391)
91.3	91.8	2,527	2,900	(1,570)	(1,235)	957	1,665
96.9	96.4	913	1,151	(411)	(806)	502	345
97.0	92.6	165	431	(94)	(111)	71	320
X	93.1	X	1,669	X	(867)	X	802
97.6	96.6	131	342	(58)	(139)	73	203
97.8	98.3	1,888	1,636	(709)	(87)	1,179	1,549
92.4	93.1	623	629	356	495	979	1,124
99.4	98.0	218	812	(108)	(332)	110	480
86.5	85.2	767	902	(352)	(471)	415	431
X	96.1	X	273	X	-0-	X	273
111.0	114.9	(378)	(566)	482	641	104	75
97.2	94.6	353	986	(163)	(396)	190	590
93.4	94.9	26,271	22,952	(10,359)	(9,188)	15,912	13,764
88.4	88.9	1,137	1,569	(685)	(708)	452	861
88.8	89.5	2,756	2,837	(1,848)	(1,534)	908	1,303
94.3	92.6	1,631	2,492	(673)	(1,106)	958	1,386
95.9	95.4	399	513	(204)	(259)	195	254
98.3	99.9	528	45	(404)	(195)	124	(150)
92.6	100.2	472	(16)	(238)	3	234	(13)
96.9	99.3	1,551	387	912	2,420	2,463	2,807
X	98.3	X	115	X	-0-	X	115
100.6	98.9	(142)	303	85	(123)	(57)	180
96.8	N/R	582	N/R	(417)	N/R	165	N/R
89.5	89.3	310	377	(134)	(162)	176	215
90.4	90.1	4,018	4,863	(2,103)	(2,372)	1,915	2,491
90.2	90.2	295	306	18	(7)	313	299
84.4	86.0	24,337	27,313	(12,170)	(13,645)	12,167	13,668
96.3	95.0	121	191	(79)	(107)	42	84
91.6	90.4	9,625	12,736	(6,719)	(4,143)	2,906	8,593
N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
103.1	98.0	(400)	360	417	111	17	471
82.8	84.4	548	613	(312)	(395)	236	218
119.4	91.8	(502)	320	7	184	(495)	504
95.7	95.8	3,185	3,846	(1,908)	(2,329)	1,277	1,517
99.8	89.1	7	643	17	(324)	24	319
93.1	94.0	10,581	10,333	(4,587)	(4,151)	5,994	6,182
99.5	99.8	23	11	(3)	-0-	20	11
92.9	91.9	1,511	1,865	(527)	(739)	984	1,126
95.0	94.8	5,662	6,676	(2,739)	(3,110)	2,923	3,566
92.5	92.2	1,645	2,022	(783)	(1,021)	862	1,001
100.3	97.7	(14)	113	(19)	(28)	(33)	85
88.5	88.8	8,005	9,222	(3,416)	(4,121)	4,589	5,101
98.2	98.9	118	76	(62)	(1)	56	75
95.1	94.7	141	186	(34)	(84)	107	102
91.7	94.1	135,192	113,874	(67,889)	(55,839)	67,303	58,035
97.4	93.5	120	361	(67)	(106)	53	255
92.5	93.5	3,950	4,351	(1,651)	(2,221)	2,299	2,130
98.1	96.9	74	139	(1)	(40)	73	99
96.9	101.5	3,914	(2,302)	(2,072)	194	1,842	(2,108)
92.4	93.4	368,088	383,398	(172,364)	(169,151)	195,724	214,247

N/R — Not available, report not submitted or in dormant status.

X — Began operations in 1978.

FIGURE NO. 59

MOTOR FREIGHT CARRIERS — CLASS II

Income, Expenses, Operating Ratios and Net Income Data for the Years 1977 and 1978 (North Carolina and Total System)

(Dollars in 000's)

	North Carolina		Total System			
	Operating Revenues		Operating Revenues		Operating Expenses	
	1977	1978	1977	1978	1977	1978
Air Freight, Inc.	$ 2,567	$ N/R	$ 2,567	$ N/R	$ 2,456	$ N/R
Airway Moving & Storage, Inc.	67	50	691	720	674	717
American Van & Storage, Inc.	2	7	1,204	1,231	1,284	1,265
Anderson Truck Line, Inc.	625	812	1,786	2,483	1,680	2,304
Bailey, James A., Inc.	825	7	825	998	795	863
Barnett Truck Lines, Inc.	700	1,022	776	1,022	754	992
Baucom's Trf. & Storage Co., Inc.	625	784	625	784	602	766
Billings Trucking Corp.	60	48	1,437	1,670	1,455	1,643
BIO-MED-HU, Inc.	41	43	2,224	2,326	2,066	2,303
Blackmon, Jeffrey	1,834	N/R	1,846	N/R	1,821	N/R
Black's Motor Express, Inc.	657	728	657	728	676	724
Blue Ridge Trucking Co.	2,295	2,755	2,295	2,755	2,149	2,565
Cargocare Transportation Co., Inc.	1,465	1,533	1,465	1,533	1,428	1,510
Carolina Carriers, Inc.	1,030	999	1,030	999	978	977
Carolina Moving & Storage, Inc.	514	350	1,387	1,206	1,340	1,158
Carolina Storage Corp.	65	130	829	1,030	752	873
Carolina Tank Lines, Inc.	721	816	721	816	674	715
Carroll's Transfer, Inc.	191	211	1,717	1,838	1,685	1,821
Carter, Robahlee	407	400	600	917	521	933
Cauthen Gin & Bag Co.	209	209	581	672	549	628
Charlotte Van & Storage Co., Inc.	692	203	692	915	952	1,205
Claremont Motor Lines, Inc.	389	273	1,943	1,348	2,045	1,732
Clarkson Bros. Machinery, Inc.	177	206	993	1,312	976	1,217
Clay's Transfer Co., Inc.	597	191	597	350	582	386
Coastal Transport, Inc.	703	810	703	813	627	716
Cooke Trucking Co.	658	-0-	658	783	648	750
Cromartie Transport Co.	576	634	576	635	548	599
Culberson Motor Lines, Inc.	501	268	501	539	487	532
Custom Transport, Inc.	1,235	3,198	2,674	3,198	2,586	2,941
Dairy Leasing Service, Inc.	X	697	X	697	X	672
Davie Truckers, Inc.	327	59	327	892	356	780
Davis Transportation Co.	55	59	526	574	514	564
Dietz Motor Lines, Inc.	337	378	2,446	2,704	2,433	2,475
Dixie Trucking Co., Inc.	1,439	1,871	1,439	1,871	1,332	1,736
Douglas & Bess, Inc.	201	247	1,640	1,860	1,533	1,655
E.B. Trucking Co., Inc.	201	222	612	644	616	605
Eagle Transport Corp.	2,116	2,372	2,116	2,372	1,932	2,270
East Coast Transport Co., Inc.	977	1,019	977	1,019	955	969
Eastern Motor Lines, Inc.	5	4	1,721	1,818	1,630	1,728
Eastern Oil Transport, Inc.	2,059	443	2,059	2,027	2,095	2,056
Edmac Trucking Co., Inc.	371	443	568	610	562	593
Everett W., Truck Line, Inc.	1,064	215	1,064	1,825	1,052	1,765
Ezzell Trucking, Inc.	721	118	1,246	991	1,244	985
Fayetteville Moving & Storage, Inc.	11	14	518	651	499	626
Forbes Refrigerated Transport, Inc.	83	102	1,132	1,423	1,109	1,365
Freightways, Inc.	198	372	236	654	235	635
Gallimore, D.P. & Sons, Inc.	1,447	1,690	1,447	1,690	1,401	1,679
General Motor Lines, Inc.	256	N/R	256	N/R	262	N/R
Glass Container Transport, Inc.	-0-	-0-	326	1,004	295	871
Groves, F.W., Trucking Co., Inc.	389	422	389	518	349	499
Haines, Earl, Inc.	4	6	829	912	810	881
Harper Trucking Co., Inc.	1,204	1,244	1,204	1,244	1,204	1,215
Hatcher, M.L. Pick-Up & Del. Service, Inc.	3,071	3,466	3,071	3,476	3,113	3,384
Hickory Mobile Home Movers	31	1	757	439	725	439
Holland Transfer Co.	501	591	606	702	559	674
Horne Storage Co., Inc.	373	26	727	39	684	37
Howell's Motor Freight, Inc.	1,519	1,580	2,316	2,586	2,115	2,381
Huffman, P.T., Transfer, Inc.	415	509	415	509	414	508
Iredell Milk Transportation, Inc.	1,051	1,106	1,051	1,322	974	1,260
Jackson Moving & Storage Co., Inc.	72	106	358	530	342	473
Lane Truck Lines, Inc.	2	2	1,185	1,472	1,256	1,607
Lenoir Transfer Co., Inc.	524	217	524	1,103	481	973
Lentz Transfer & Storage Co.	355	106	420	429	584	650
Lisk, Howard Herlee	472	423	488	561	416	563
Martin Motor Lines, Inc.	620	717	792	889	753	856
Martin, Roger E., Inc.	750	835	750	835	726	795
Martin Transfer & Storage Co.	169	185	574	692	670	911
McLeod Truck & Riggins Co., Inc.	40	24	2,657	171	2,324	153
Media Express, Inc.	110	126	518	525	500	516
Mercer Bros. Trucking Co.	657	200	657	1,131	644	1,083
Mid-State Delivery Service, Inc.	680	782	680	782	712	843
Modern Moving & Storage, Inc.	152	121	583	589	527	579
Moncure, Henry, Motors, Inc.	4	1	974	1,096	969	1,056

N/R — Not available, report not submitted or in dormant status.

X — Began operations in 1978.

FIGURE NO. 59—Continued

MOTOR FREIGHT CARRIERS — CLASS II

Income, Expenses, Operating Ratios and Net Income Data for the Years 1977 and 1978 (North Carolina and Total System)

(Dollars in 000's)

Total System

Operating Ratios		Net Operating Revenue		Other Income (Deductions) Net—Including Income Taxes		Net Income After Taxes	
1977	1978	1977	1978	1977	1978	1977	1978
95.7%	N/R%	$ 111	$ N/R	$ (18)	$ N/R	$ 93	$ N/R
97.5	99.6	17	3	(1)	-0-	16	3
106.6	102.8	(80)	(34)	7	4	(73)	(30)
94.1	92.8	106	179	(48)	(73)	58	106
96.4	86.5	30	135	-0-	-0-	30	135
97.2	97.1	22	30	-0-	(5)	22	25
96.3	97.7	23	18	(16)	(15)	7	3
101.3	98.4	(18)	27	4	-0-	(14)	27
92.9	99.0	158	23	(9)	(23)	149	-0-
98.6	N/R	25	N/R	-0-	N/R	25	N/R
102.9	99.5	(19)	4	19	-0-	-0-	4
93.6	93.1	146	190	(46)	(68)	100	122
97.5	98.5	37	23	(18)	(12)	19	11
95.0	97.8	52	22	-0-	(7)	52	15
96.6	96.0	47	48	(19)	(6)	28	42
90.7	84.8	77	157	-0-	-0-	77	157
93.5	87.6	47	101	(10)	(24)	37	77
98.1	99.1	32	17	(8)	(2)	24	15
86.8	101.7	79	(16)	-0-	-0-	79	(16)
94.5	93.5	32	44	11	3	43	47
137.6	131.7	(260)	(290)	296	295	36	5
105.2	128.5	(102)	(384)	(64)	184	(166)	(200)
98.3	92.8	17	95	(6)	(32)	11	63
97.5	110.3	15	(36)	(2)	-0-	13	(3.6)
89.2	88.1	76	97	(26)	(41)	50	56
98.5	95.8	10	33	-0-	(1)	10	32
95.1	94.3	28	36	(12)	(31)	16	5
97.2	98.7	14	7	-0-	(3)	14	4
96.7	92.0	88	257	(94)	(154)	(6)	103
X	96.4	X	25	X	(15)	X	10
108.9	87.4	(29)	112	1	(30)	(28)	82
97.7	98.3	12	10	-0-	-0-	12	10
99.5	91.5	13	229	(4)	(93)	9	136
92.6	92.8	107	135	(70)	(92)	37	43
93.5	89.0	107	205	(26)	(40)	81	165
100.7	93.8	(4)	39	(8)	7	(12)	46
91.3	95.7	184	102	(77)	(151)	107	(49)
97.7	95.1	22	50	(31)	(13)	(9)	37
94.7	95.0	91	90	(34)	(42)	57	48
101.8	101.4	(36)	(29)	10	-0-	(26)	(29)
98.9	97.2	6	17	-0-	-0-	6	17
98.9	96.7	12	60	(8)	(28)	4	32
99.8	99.4	2	6	-0-	-0-	2	6
96.3	96.2	19	25	-0-	-0-	19	25
98.0	95.9	23	58	(18)	(26)	5	32
99.6	97.1	1	19	-0-	-0-	1	19
96.8	99.3	46	11	(11)	6	35	17
102.3	N/R	(6)	N/R	3	N/R	(3)	N/R
90.5	86.8	31	133	-0-	-0-	31	133
89.7	96.3	40	19	-0-	-0-	40	19
97.7	96.6	19	31	28	8	47	39
100.0	97.7	-0-	29	(25)	(22)	(25)	7
101.7	97.4	(42)	92	(33)	(61)	(75)	31
95.8	100.0	32	-0-	-0-	-0-	32	-0-
92.2	96.0	47	28	7	35	54	63
94.1	94.9	43	2	-0-	-0-	43	2
91.3	92.1	201	205	(9)	(9)	192	196
99.8	99.8	1	1	-0-	-0-	1	1
92.7	95.3	77	62	(8)	(26)	69	36
95.5	89.2	16	57	-0-	-0-	16	57
106.0	109.2	(71)	(135)	-0-	-0-	(71)	(135)
91.8	88.2	43	130	(5)	-0-	38	130
139.0	151.5	(164)	(221)	165	220	1	(1)
85.2	100.4	72	(2)	-0-		72	(2)
95.1	96.3	39	33	(12)	(14)	27	19
96.8	95.2	24	40	-0-	14	24	54
116.7	131.6	(96)	(219)	136	240	40	21
87.5	89.5	333	18	-0-	-0-	333	18
96.5	98.3	18	9	-0-	1	18	10
98.0	95.8	13	48	-0-	-0-	13	48
104.7	107.8	(32)	(61)	(6)	(4)	(38)	(65)
90.4	98.3	56	10	-0-	-0-	56	10
99.5	96.4	5	40	-0-	-0-	5	40

N/R — Not available, report not submitted or in dormant status.

X — Began operations in 1978.

FIGURE NO. 59 —Continued

MOTOR FREIGHT CARRIERS — CLASS II

Income, Expenses, Operating Ratios and Net Income Data for the Years 1977 and 1978 (North Carolina and Total System)

(Dollars in 000's)

	North Carolina		Total System			
	Operating Revenues		Operating Revenues		Operating Expenses	
	1977	1978	1977	1978	1977	1978
Morven Freight Lines, Inc.	320	378	533	568	523	574
Murray Transfer & Storage Co., Inc.	474	143	940	911	934	905
Nationwide Horse Carriers, Inc.	58	67	1,901	2,002	1,832	1,915
Neptune World-Wide Moving	N/R	352	N/R	596	N/R	609
North State Motor Lines, Inc.	500	560	2,015	2,308	1,936	2,161
Patterson Storage Whse., Inc.	155	201	579	831	554	822
Petroleum Transportation, Inc.	669	746	1,699	1,591	1,869	1,645
Piedmont Movers	616	691	616	691	561	656
Pitt County Transportation Co., Inc.	1,613	2,145	1,613	2,145	1,576	1,987
Quality Oil Transport	935	970	935	1,094	710	730
Quinn, James Elwood, Inc.	874	1,143	874	1,143	859	1,051
Raleigh Bonded Whse., Inc.	70	62	593	123	571	186
Rogers Transportation Co., Inc.	963	868	963	868	955	899
Rothrock, J. L., Inc.	1,436	1,606	1,436	1,606	1,347	1,539
Security Storage Co., Inc.	692	126	1,521	1,613	1,496	1,594
Shamrock Transport Co.	878	925	878	925	821	855
Sherman & Boddie, Inc.	188	270	497	902	437	800
Shippers Freight Lines, Inc.	484	868	484	868	419	851
Smith, M.M., Storage Whse., Inc.	767	877	767	953	744	892
Smith Transfer Co., Inc.	194	79	578	715	571	710
Southern Oil Transportation Co.	743	912	743	912	703	849
Southern Spindle & Flyer Co., Inc.	45	32	1,696	1,811	1,594	1,785
Stegall Milling Co., Inc.	243	223	777	333	828	343
Stegall, T.G., Inc.	N/R	785	N/R	2,480	N/R	2,609
Sugar Transport, Inc.	146	187	2,215	2,240	1,996	1,993
Super Motor Lines, Inc.	424	660	471	662	458	642
Superior Motor Express, Inc.	600	499	2,026	2,320	1,896	1,642
Swann, A.D., Trucking Co., Inc.	653	600	729	738	729	745
Swing Transport, Inc.	342	-0-	763	976	689	931
Tallant Transfer, Inc.	-0-	-0-	1,233	1,343	1,195	1,390
Tarheel Express, Inc.	1,560	1,822	1,560	1,823	1,740	1,810
Tarheel Industries, Inc.	481	271	535	695	540	686
Tarheel Transport, Inc.	581	583	581	583	558	598
Tatum-Dalton Transfer Co.	1,053	1,204	1,053	1,204	1,081	1,248
Terminal Trucking Co., Inc.	N/R	N/R	N/R	N/R	N/R	N/R
Thompson Trucking, Inc.	186	310	601	677	558	638
Tidewater Transit Co., Inc.	738	686	971	951	932	874
Valley Transfer, Inc.	397	385	498	620	470	552
Vickers, C.L., Transfer	943	44	943	1,649	939	1,604
Wall Trucking Co., Inc.	758	854	758	854	701	828
Wallace Trucking Co.	1,176	1,286	1,176	1,286	1,279	1,441
Washburn Storage Co.	118	137	1,592	1,612	1,534	1,444
Wendell Transport Corp.	627	691	627	691	583	663
West Bros. Transfer & Storage, Inc.	650	614	650	894	564	819
Widenhouse, A.C., Inc.	2,670	2,747	2,670	2,747	2,534	2,619
Wilco Transport Co., Inc.	500	495	500	495	428	427
Wooldridge; J.C., Inc.	607	N/R	607	N/R	604	N/R
Wooten-Hollowell Oil Co.	521	72	521	72	465	16
Yarbrough Transfer Co.	685	800	932	1,144	893	1,124
Yeary Transfer Co., Inc.	592	487	1,891	1,590	1,917	1,645
Totals (123 Carriers listed above)	$75,386	$70,271	$126,522	$137,354	$122,819	$132,546

N/R — Not available, report not submitted or in dormant status.
X — Began operations in 1978.

FIGURE NO. 59 —Continued

MOTOR FREIGHT CARRIERS — CLASS II

Income, Expenses, Operating Ratios and Net Income Data for the Years
1977 and 1978 (North Carolina and Total System)
(Dollars in 000's)

Total System							
Operating Ratios		Net Operating Revenue		Other Income (Deductions) Net—Including Income Taxes		Net Income After Taxes	
1977	1978	1977	1978	1977	1978	1977	1978
98.1	101.1	10	(6)	(1)	-0-	9	(6)
99.4	99.3	6	6	-0-	-0-	6	6
96.4	95.7	69	87	(34)	(51)	35	36
N/R	102.2	N/R	(13)	N/R	-0-	N/R	(13)
96.1	93.6	79	147	(18)	(36)	61	111
95.7	98.9	25	9	-0-	-0-	25	9
110.0	103.4	(170)	(54)	(15)	(37)	(185)	(91)
91.1	94.9	55	35	(3)	(2)	52	33
97.7	92.6	37	158	(2)	(6)	35	152
75.9	66.7	225	364	41	35	266	399
98.3	92.0	15	92	30	(8)	45	84
96.3	151.2	22	(63)	-0-	-0-	22	(63)
99.2	103.6	8	(31)	(12)	(32)	(4)	(63)
93.8	95.8	89	67	(16)	(22)	73	45
98.4	98.8	25	19	-0-	-0-	25	19
93.5	92.4	57	70	52	14	109	84
87.9	88.7	60	102	-0-	-0-	60	102
86.6	98.0	65	17	(15)	-0-	50	17
97.0	93.6	23	61	8	(5)	31	56
98.8	99.3	7	5	-0-	-0-	7	5
94.6	93.1	40	63	10	6	50	69
94.0	98.6	102	26	-0-	-0-	102	26
106.6	103.0	(51)	(10)	97	-0-	46	(10)
N/R	105.2	N/R	(129)	N/R	(69)	N/R	(198)
90.1	89.0	219	247	(139)	(145)	80	102
97.2	97.0	13	20	-0-	-0-	13	20
93.6	70.8	130	678	(130)	-0-	-0-	678
100.0	100.9	-0-	(7)	-0-	-0-	-0-	(7)
90.3	95.4	74	45	(26)	-0-	48	45
96.9	100.9	38	(47)	(21)	(11)	17	(58)
111.5	99.3	(180)	13	(5)	-0-	(185)	13
100.9	N/R	(5)	9	-0-	-0-	(5)	9
96.0	102.6	23	(15)	(8)	(9)	15	(24)
102.7	103.7	(28)	(44)	169	128	141	84
N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
92.8	94.2	43	39	-0-	-0-	43	39
96.0	91.9	39	77	42	22	81	99
94.4	89.0	28	68	-0-	-0-	28	68
99.6	97.3	4	45	4	-0-	8	45
92.5	97.0	57	26	(15)	(8)	42	18
108.8	112.1	(103)	(155)	207	218	104	63
96.4	89.6	58	168	(59)	(85)	(1)	83
93.0	95.9	44	28	(27)	(24)	17	4
86.8	91.6	86	75	23	-0-	109	75
94.9	95.3	136	128	(17)	(1)	119	127
85.6	86.3	72	68	-0-	-0-	72	68
99.5	N/R	3	N/R	-0-	N/R	3	N/R
89.3	22.2	56	56	-0-	-0-	56	56
95.8	98.3	39	20	(12)	(25)	27	(5)
101.4	103.5	(26)	(55)	(21)	(24)	(47)	(79)
97.0	96.9	$3,703	$4,808	$ (8)	$ (323)	$3,695	$4,485

N/R — Not available, report not submitted or in dormant status.
X — Began operations in 1978.

FIGURE NO. 60

MOTOR FREIGHT CARRIERS—CLASS I & II

Operating Revenues Allocated to North Carolina
For the Calendar Years 1965, 1970, 1975-1978

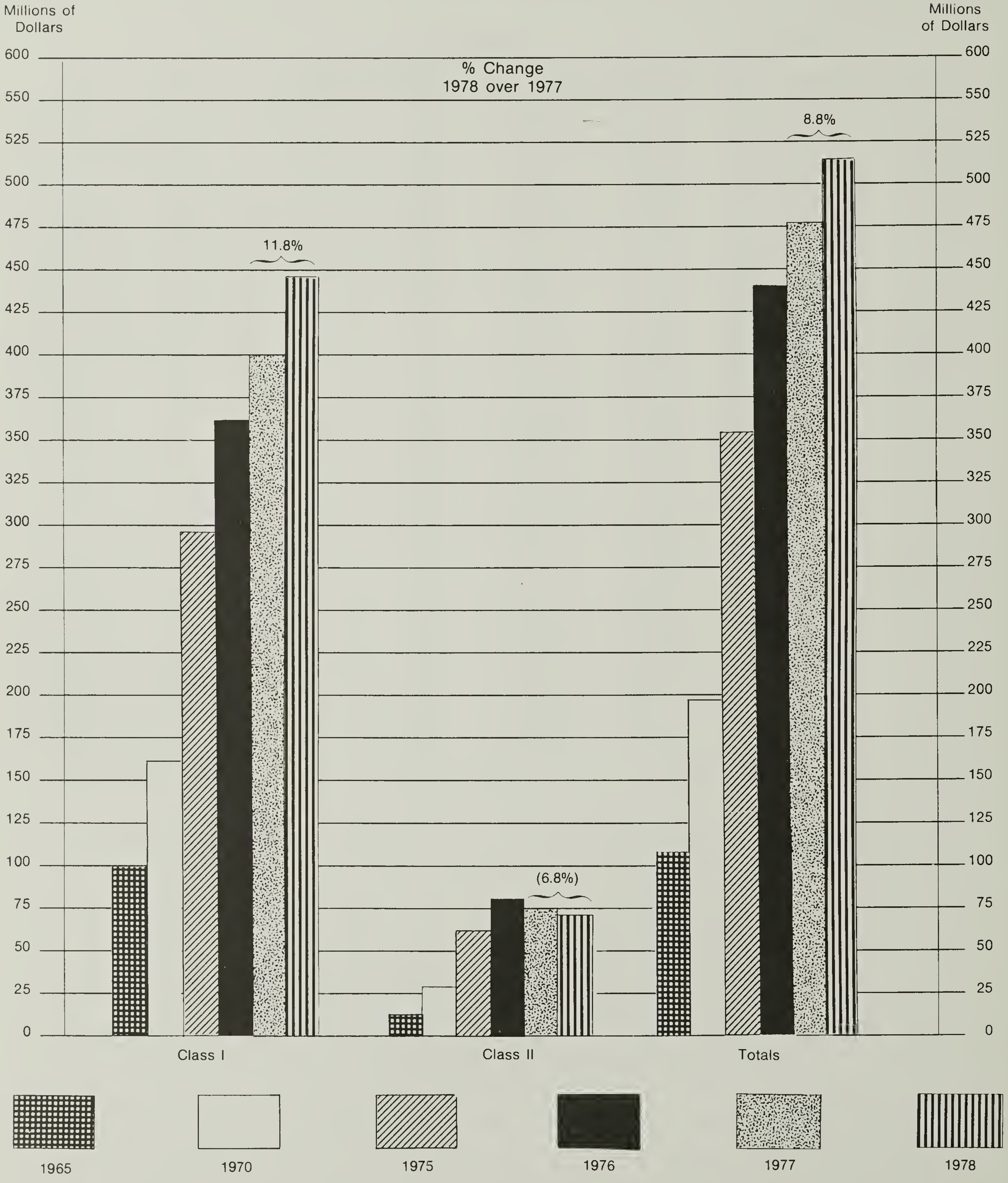


FIGURE NO. 61

MOTOR FREIGHT CARRIERS (CLASS III)

Income, Expense, and Statistical Data for the Years 1977 and 1978
(North Carolina and Total System)
(Actual Dollars)

	North Carolina		Total System						N.C. Employee Data for Total Operations			
	Regulated Revenues		Total Revenues		Total Expenses		Operating Ratios		Avg. No. of Employees 1977	Total Salaries Paid 1977	Avg. No. of Employees 1978	Total Salaries Paid 1978
	1977	1978	1977	1978	1977	1978	1977	1978				
A-1 Moving & Storage, Inc.	$ 27,093	$ 37,510	$ 185,935	$ 234,071	$ 183,129	$ 240,011	98.5%	102.5%	12	$ 54,969	12	$ 71,542
AAA-Spruill Moving & Storage	28,023	24,461	44,458	50,525	44,467	46,186	100.0	91.4	4	28,550	4	26,982
AAA Storage Co., Inc.	15,837	21,647	177,692	127,792	172,006	123,482	96.8	96.6	8	49,775	10	60,417
A&B Mobile Home Movers, Inc.	6,080	7,328	6,080	7,328	4,174	8,051	68.7	109.9	1	1,906	1	-0-
A&J Motor Lines, Inc.	90,205	85,964	142,360	154,685	131,343	138,110	92.3	89.3	4	40,040	4	47,068
ABC Moving & Storage, Inc.	160,941	84,356	284,690	308,655	277,312	290,250	97.4	94.0	18	113,802	10	120,977
AJS Trucking Co.	98,305	96,639	98,305	96,639	78,597	98,384	80.0	101.8	2	12,382	2	20,379
Aaction Moving & Storage Co.	34,767	41,798	103,410	156,303	161,539	174,866	156.2	111.9	7	40,381	7	44,459
Abernethy Trf. & Storage, Inc.	133,877	125,555	292,345	312,505	304,911	304,911	104.3	97.6	21	176,605	18	159,556
Ace Moving & Storage Co.	34,110	29,416	222,855	192,138	201,727	186,366	90.5	97.0	6	107,371	5	85,687
Acme Movers & Storage Co., Inc.	33,863	34,549	167,993	181,368	167,743	176,932	99.9	97.6	10	100,576	10	96,322
Alamance Trf. & Storage Co., Inc.	N/R	1,201	N/R	45,806	N/R	42,637	N/R	93.1	N/R	N/R	1	23,907
Alexander Trucking Co.	83,759	169,831	109,270	178,769	109,155	176,288	99.9	98.6	10	58,412	10	97,930
Allen Realty Co., Inc.	3,370	3,200	3,370	3,200	16,346	7,952	485.0	248.5	2	15,000	1	6,552
Allen's Moving Serv. of Fayetteville, Inc.	11,935	20,796	69,540	111,780	60,597	100,107	87.1	89.6	1	14,890	2	37,665
Allen's Moving & Storage, Inc.	N/R	19,626	N/R	173,161	N/R	187,213	N/R	108.1	N/R	N/R	8	60,557
Allgood Wrecker Service, Inc.	18,532	15,146	18,532	15,146	16,093	11,814	86.8	78.0	1	7,800	1	7,800
Allred, Wyatt C.	6,470	1,941	6,470	1,941	2,333	505	36.1	25.9	-0-	833	-0-	250
All-States Moving & Storage, Inc.	38,222	28,524	319,266	377,783	312,968	343,344	98.0	90.9	9	86,578	11	100,428
American Distribution Systems, Inc.	N/R	15,762	N/R	104,548	N/R	98,250	N/R	94.0	N/R	N/R	-0-	-0-
American Movers, Inc.	19,357	14,405	349,309	384,886	351,870	383,751	100.7	99.7	41	131,512	24	133,122
American Parcel Service, Inc.	-0-	-0-	287,585	366,600	252,785	298,485	82.9	81.4	3	42,750	3	57,361
Armored Protective Service, Inc.	137,902	136,393	137,902	136,393	133,064	133,586	96.5	97.9	13	80,797	19	76,068
Asheville Trf. & Storage, Inc.	98,645	109,848	377,435	392,435	336,018	343,017	89.0	87.0	15	93,473	13	98,515
Ashford, T. P., Oil Co.	110,461	114,520	110,461	114,520	86,820	110,529	78.6	96.5	2	26,796	2	25,925
Atlantic Oil Service, Inc.	270	8,274	270	8,274	202	513	74.8	—	-0-	-0-	1	5,102
Atlantic-Pacific Van & Storage, Inc.	11,664	22,111	111,392	114,215	111,272	115,953	99.9	101.5	8	47,665	8	48,810
Ausley, Cecil Thomas	44,123	45,537	44,123	45,537	16,321	17,876	37.0	39.3	-0-	-0-	-0-	-0-
Autry Trucking Co.	9,359	10,306	9,359	17,693	10,347	19,802	110.6	111.9	-0-	-0-	-0-	-0-
B&C Trucking Co., Inc.	46,621	56,121	46,621	56,121	45,138	53,265	96.8	94.9	2	24,400	2	31,620
B&L Trucking Co., Inc.	8,040	10,400	396,686	377,987	400,064	366,780	100.9	97.0	7	69.865	6	72,570
B&P Trucking Co., Inc.	X	14,834	X	14,834	X	16,323	X	110.0	X	X	-0-	-0-
Baker, Tom, Express, Inc.	290,822	334,996	290,822	344,750	301,612	335,040	103.7	97.2	11	129,302	11	131,384
Barker, Cecil Edward	X	4,970	X	4,970	X	8,396	X	168.9	X	X	-0-	-0-
Barnes, Milton R.	X	30,731	X	30,731	X	13,835	X	45.0	X	X	-0-	-0-
Barnes Motor Lines	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Barrett Textile Transport, Inc.	10,439	17,351	69,998	119,864	75,002	112,876	107.1	94.2	2	19,605	3	26,083
Bartlett, Jack, Moving & Constr.	2,654	6,905	2,654	6,905	668	5,000	25.2	72.4	-0-	-0-	1	2,050
Batson Trf. & Storage Co., Inc.	32,896	22,640	162,809	165,016	168,075	170,717	103.2	103.5	8	81,568	8	79,190
Baxley's Transfer, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Beasley Transport, Inc.	-0-	-0-	66,497	51,843	54,700	48,896	82.3	94.3	3	13,982	1	11,700
Bell Truck Line	94,146	172,219	264,319	357,309	264,777	374,886	100.2	104.9	4	38,408	6	66,190
Beulaville Milling Co., Inc.	39,248	16,987	39,248	16,987	31,304	13,461	79.8	79.2	3	11,792	1	5,070
Big "R" Delivery Service	36,687	44,864	36,687	44,864	24,731	36,667	67.4	81.7	1	6,971	1	7,209
Billings, Paul	30,172	13,743	30,172	13,743	21,863	7,684	72.5	55.9	-0-	-0-	-0-	-0-
Biltmore Transfer Co.	28,435	5,285	28,435	5,285	18,520	3,120	65.1	59.0	-0-	-0-	-0-	-0-
Bird Transit, Inc.	-0-	N/R	22,538	N/R	24,817	N/R	110.1	N/R	-0-	-0-	N/R	N/R
Blair Transit Co.	-0-	-0-	462,918	395,504	459,431	431,043	99.2	109.0	-0-	-0-	-0-	-0-
Blevin's Tire & Moving Co.	44,578	60,680	49,119	71,893	23,265	41,123	47.4	57.2	1	2,882	1	9,077
Bob's Mobile Home Transport	15,866	25,730	15,866	25,730	13,139	19,849	82.8	77.1	-0-	-0-	-0-	-0-
Boone, D.L.	7,446	29,048	11,487	61,962	6,269	1,715	54.6	2.8	1	2,694	1	3,464
Bostick, James R.	500	200	21,867	24,442	18,204	23,181	83.2	94.8	1	5,250	1	7,200

X — Began operations in 1978
N/A — Not available
N/R — Report not submitted or in dormant status.

FIGURE NO. 61 —Continued

MOTOR FREIGHT CARRIERS (CLASS III)
Income, Expense, and Statistical Data for the Years 1977 and 1978
(North Carolina and Total System)
(Actual Dollars)

	North Carolina		Total System						N.C. Employee Data for Total Operations			
	Regulated Revenues 1977	1978	Total Revenues 1977	1978	Total Expenses 1977	1978	Operating Ratios 1977	1978	Avg. No. of Employees 1977	Total Salaries Paid 1977	Avg. No. of Employees 1978	Total Salaries Paid 1978
Bowen's Moving & Storage, Inc.	$ 14,051	$ N/R	$228,778	$ N/R	$258,846	$ N/R	113.1%	N/R%	11	$ 98,540	N/R	$ N/R
Bowling, I. W., Inc.	278,143	319,816	296,532	329,039	246,897	307,282	83.3	93.4	7	120,061	10	126,134
Bradley, Bill B.	9,058	14,152	9,058	14,152	6,013	6,303	66.4	44.5	-0-	-0-	-0-	-0-
Brafford, Boyd W., Jr.	16,109	15,120	16,109	15,120	13,558	8,713	84.2	57.6	-0-	-0-	-0-	-0-
Branch Moving & Storage Co., Inc.	103,498	21,241	482,412	366,209	446,965	223,829	92.7	61.1	12	99,249	12	92,502
Branch's Transfer	71,662	85,425	71,662	85,425	79,808	83,873	111.4	98.2	6	29,696	6	31,266
Bright Belt Motor Lines, Inc.	117,637	251,633	334,094	405,293	317,068	379,016	94.9	93.5	13	102,012	15	127,349
Bright's Trf, Moving & Storage	14,614	10,706	14,614	10,706	6,901	4,538	47.2	42.4	-0-	-0-	-0-	-0-
Brigman Transfer Co.	14,690	18,520	14,690	18,520	13,047	N/A	88.8	N/A	1	9,187	1	9,276
Brock's Mobile Home Service	X	40,000	X	40,000	X	22,000	X	55.0	X	X	2	7,500
Brown Oil & Transit Co., Inc.	71,232	75,891	71,232	75,891	70,318	31,082	98.7	41.0	2	19,900	2	22,582
Brown, Charles T., Truck Lines, Inc.	276,023	119,859	414,139	453,668	432,159	458,090	104.4	101.0	16	197,879	16	193,216
Brown's Moving & Storage Co.	8,043	N/R	77,178	N/R	57,116	N/R	74.0	N/R	9	17,692	N/R	N/R
Bryant's Trailer Convoy	46,981	42,840	46,981	49,579	33,998	35,964	72.4	72.5	1	2,245	1	3,465
Bullard Moving & Storage	13,188	N/R	20,290	N/R	17,163	N/R	84.6	N/R	1	3,447	N/R	N/R
Bullock, Richard E.	8,890	5,460	8,890	5,460	5,330	4,487	60.0	82.2	-0-	-0-	-0-	-0-
Byers, Samuel A.	27,988	33,145	30,288	36,545	11,550	N/A	38.1	N/A	2	2,107	2	2,840
C&S Motor Express, Inc.	25,532	42,931	25,532	42,931	19,741	45,234	77.3	105.4	4	9,436	3	16,317
Camel Service Co.	1,479	N/R	1,479	N/R	1,331	N/R	90.0	N/R	-0-	-0-	N/R	N/R
Capital Moving & Warehousing, Inc.	60,966	56,804	463,221	482,146	433,946	448,550	93.7	93.0	14	146,218	14	143,598
Capitol Van Lines, Inc.	29,580	35,563	217,524	236,531	207,823	237,819	95.5	100.5	22	92,793	17	99,582
Cardinal Moving & Storage, Inc.	33,984	33,071	360,710	483,700	342,837	434,206	95.0	89.8	18	146,096	18	207,626
Carey, A.J., Oil Co., Inc.	56,510	61,513	56,510	61,513	33,028	33,319	58.4	54.2	19	169,488	17	167,870
Carolina Asphalt & Petroleum Co.	302	143	302	143	257	-0-	85.1	-0-	-0-	-0-	-0-	-0-
Carolina Crane Corp.	204,868	325,255	204,868	325,255	241,774	497,206	118.0	152.9	5	64,094	10	126,628
Carolina Haulers, Inc.	59,252	90,881	59,252	90,881	51,779	64,347	87.4	70.8	2	11,875	2	17,134
Carolina Mobile Home Services	10,719	7,904	10,719	7,904	10,465	7,667	97.6	97.0	1	6,032	1	6,252
Carolina Mobile Movers, Inc.	51,297	38,957	51,778	38,957	50,042	37,667	96.6	96.7	9	16,400	6	13,337
Carolina Movers & Riggers, Inc.	74,216	90,268	74,216	90,268	72,258	82,423	97.4	91.3	4	35,337	5	35,567
Carolina Taxi & Industrial Transp., Inc.	14,424	17,487	14,424	17,487	12,318	17,200	85.4	98.4	1	6,750	4	30,022
Carolina Trucking Co., Inc.	3,506	3,123	3,506	3,123	3,141	3,138	89.6	100.5	-0-	-0-	-0-	-0-
Carolina Van & Storage Co.	18,727	N/R	185,459	N/R	179,167	N/R	96.6	N/R	8	54,920	N/R	N/R
Carpenter Trucking Co.	348,901	367,503	348,901	367,503	329,475	351,550	94.4	95.7	9	149,748	8	164,938
Carr Transport, Inc.	4,053	3,491	4,053	3,491	3,523	3,396	86.9	97.3	-0-	-0-	-0-	-0-
Case Trucking Co.	76,249	54,191	76,249	54,191	80,129	63,579	105.1	117.3	3	19,710	2	12,563
Cashion Moving & Storage, Inc.	47,891	52,269	152,979	146,579	137,359	139,178	89.8	95.0	8	66,245	8	65,905
Caustic Soda Transportation Co.	233,993	224,481	400,588	453,507	396,993	439,097	99.1	96.8	15	159,381	16	176,721
Central Carolina Bonded Whse., Inc.	4,023	9,528	97,121	131,902	95,701	108,597	98.5	82.3	6	39,270	7	47,748
Champion Storage & Trucking Co., Inc.	44,648	51,681	146,750	168,382	168,499	173,593	114.8	103.1	7	80,926	9	74,101
Champion Transfer Co.	12,666	7,235	12,666	7,235	9,014	6,927	71.2	95.7	2	3,139	1	3,681
Charlotte Merchants Delivery, Inc.	37,500	44,592	37,500	44,592	35,250	44,592	94.0	100.0	-0-	-0-	-0-	-0-
Charlotte Transportation Co., Inc.	251,613	263,115	251,613	263,115	225,809	234,490	89.7	89.1	12	136,503	12	137,524
Chavis, Willie Rhett	1,000	N/R	1,000	N/R	705	N/R	70.5	N/R	-0-	-0-	N/R	N/R
Christie, Craig L.	X	44,435	X	44,435	X	27,006	X	60.8	X	X	1	5,282
Citizens Express, Inc.	192,324	204,562	309,465	503,570	297,022	470,038	96.0	93.3	21	146,388	30	240,296
City Fuel & Tire Co.	X	N/R	X	N/R	X	N/R	X	N/R	X	X	N/R	N/R
City Trf. & Storage Co.	43,692	52,163	289,423	315,244	300,321	349,499	103.8	110.9	24	198,074	26	228,915
City Trf. & Storage Co. of Fayetteville, Inc.	9,000	40,666	48,792	40,766	19,327	28,109	39.6	69.0	1	7,955	2	18,350
Clark Transfer Co., Inc.	80,302	130,226	158,887	258,180	148,746	246,421	93.6	95.4	13	69,360	14	90,313
Clemmons Pallet & Skid Works, Inc.	2,008	9,427	268,607	273,284	237,304	248,944	88.3	91.1	-0-	-0-	-0-	-0-
Coastal Moving Co., Inc.	N/R	29,945	N/R	333,512	N/R	315,322	N/R	94.5	N/R	N/R	13	98,665
Coats, Lewis C., Trailer Moving Co.	29,856	25,388	29,856	25,388	27,209	23,483	91.1	92.5	1	4,790	-0-	-0-

X — Began operations in 1978
N/A — Not available
N/R — Report not submitted or in dormant status.

FIGURE NO. 61 —Continued

MOTOR FREIGHT CARRIERS (CLASS III)
Income, Expense, and Statistical Data for the Years 1977 and 1978
(North Carolina and Total System)
(Actual Dollars)

	North Carolina		Total System						N.C. Employee Data for Total Operations			
	Regulated Revenues		Total Revenues		Total Expenses		Operating Ratios		Avg. No. of Employees	Total Salaries Paid	Avg. No. of Employees	Total Salaries Paid
	1977	1978	1977	1978	1977	1978	1977	1978	1977	1977	1978	1978
Cockerham, Wallace, Towing, Inc.	$ -0-	$ -0-	$ 4,140	$ 5,120	$ 2,930	$ 3,650	70.8%	71.3%	-0-	$ -0-	4	$ 19,757
Coley Moving & Storage, Inc.	108,472	139,276	336,442	359,545	319,922	356,641	95.1	99.2	18	125,669	22	159,091
Colonial Bldg. Maintenance Co., Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Coltrain, Tilmon R.	17,859	5,062	17,859	5,062	20,163	4,137	113.0	81.7	-0-	-0-	-0-	-0-
Columbus Motor Lines, Inc.	177,919	101,239	270,274	297,019	241,452	271,713	89.3	91.5	8	82,797	9	84,838
Commercial & Package Del. Serv., Inc.	319,064	5,015	455,399	12,315	578,342	23,476	127.0	190.6	42	307,552	11	16,762
Commercial Couriers, Inc.	100,900	143,738	100,900	143,738	95,858	124,896	95.0	86.9	7	52,768	11	68,185
Commercial Warehouse, Inc.	38,097	48,045	152,960	153,012	140,264	154,932	91.7	101.3	5	63,550	6	63,792
Contract Transporter, Inc.	275,163	559,726	275,163	559,726	270,585	496,192	98.3	88.6	11	138,576	15	317,639
Cook & Sons, Inc.	X	4,453	X	157,255	X	96,016	X	61.1	X	X	1	8,114
Cooper's Mobile Home Moving Serv., Inc.	99,483	86,511	99,483	86,511	100,667	86,852	101.2	100.4	7	44,888	7	44,888
Cornett Mobile Home Movers	1,065	6,230	1,065	6,230	972	N/A	91.3	N/A	-0-	-0-	-0-	-0-
Cotton Growers Warehouses, Inc.	99,991	63,641	119,629	92,879	134,482	106,494	112.4	114.7	21	168,582	20	165,974
Council, Artice Lee	X	1,338	X	1,338	X	N/A	X	N/A	X	X	-0-	-0-
Covington's Texaco	3,775	N/R	3,775	N/R	1,852	N/R	49.1	N/R	-0-	-0-	N/R	N/R
Crown Moving & Storage, Inc.	67,072	61,823	329,955	347,162	279,385	299,169	84.7	86.2	15	124,622	16	123,528
Custom Freight, Inc.	31,081	77,425	31,081	77,425	32,261	78,692	103.8	101.6	-0-	-0-	4	38,991
Custom Moving & Storage, Inc.	1,312	891	136,936	189,984	92,020	148,510	67.2	78.2	5	37,636	7	58,463
D. & N. Motors	3,874	3,350	3,874	5,675	1,283	N/A	33.1	N/A	-0-	-0-	-0-	-0-
Daniel's Garage	5,877	6,551	5,877	6,551	5,823	5,261	99.1	80.3	-0-	-0-	-0-	-0-
Davis, J.B., Bulk Hauler	43,205	45,053	43,205	45,053	24,150	24,987	55.9	55.5	-0-	-0-	-0-	-0-
Davis Moving & Storage Co.	15,333	16,696	31,837	50,088	23,052	N/A	72.4	N/A	1	1,304	-0-	-0-
Dawson-Joyce Moving & Storage Co.	32,462	14,190	288,952	348,042	273,469	335,022	94.6	96.3	10	88,677	10	115,103
Dedmon, A.V., Trucking, Inc.	95,391	112,167	266,034	347,012	262,118	315,254	98.5	90.8	12	122,617	12	144,102
DeHaven's Trf. & Storage, Inc.	99,815	130,348	359,210	539,945	360,261	525,290	100.3	97.4	18	178,838	18	239,100
Disher Company, The	18,795	53,694	76,433	61,203	75,322	70,066	98.5	114.5	4	29,544	4	31,488
Dixie Moving & Storage Co.	17,610	1,517	140,028	131,570	144,307	128,856	103.1	97.9	8	60,841	7	53,408
Doug's Mobile Home Towing	47,549	68,458	47,549	68,458	36,642	47,901	77.1	70.0	1	7,339	2	8,896
Dunn, N.A., Inc.	385	1,040	385	1,040	516	N/A	134.0	N/A	-0-	-0-	-0-	-0-
Durham Trf. & Storage, Inc.	20,782	55,280	215,408	246,747	196,285	255,595	91.1	103.6	4	31,488	8	65,633
E & B Corporation	34,542	47,779	36,042	47,779	38,468	45,337	106.7	94.9	2	11,102	2	15,067
Eastern Courier Corp.	122,927	126,764	122,927	126,764	86,133	116,582	70.1	92.0	8	42,218	8	62,228
Eastern Transit & Storage, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Economy Transport, Inc.	N/R	60,196	N/R	60,196	N/R	50,014	N/R	83.1	N/R	N/R	2	17,044
Edwards, James Woodrow	6,296	8,433	6,296	8,433	4,789	6,082	76.1	72.1	-0-	-0-	-0-	-0-
Edwards Mobile Home Movers	N/R	650	N/R	650	N/R	N/A	N/R	N/A	N/R	N/R	-0-	-0-
Eggleston, Gorris, Oil Transp., Inc.	N/R	8,149	N/R	8,149	N/R	9,195	N/R	112.8	N/R	N/R	-0-	-0-
Elledge, Wade	241,363	N/R	241,363	N/R	235,335	N/R	97.5	N/R	6	40,879	N/R	N/R
Eller, Sam D., Motor Carriers, Inc.	12,454	12,582	12,454	12,582	14,454	12,056	116.1	95.8	1	8,400	1	7,400
Erwin Oil Co., Inc.	1,069	N/R	1,069	N/R	1,006	N/R	94.1	N/R	-0-	235	N/R	N/R
Etheridge Transport, Inc.	90,056	137,657	90,056	137,657	85,537	128,863	95.0	93.6	4	35,070	5	45,513
Eure, C.H., Trucking, Inc.	N/R	12,548	N/R	187,872	N/R	183,702	N/R	97.8	N/R	N/R	7	50,339
Evans, Donald, Mobile Home Movers	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Everett Motor Line	6,292	8,246	6,292	8,246	596	496	9.5	6.0	-0-	-0-	-0-	-0-
Faircloth, Henry, Transfer, Inc.	151,430	191,716	159,394	201,785	150,567	192,181	94.5	95.2	9	65,331	9	72,186
Faircloth Moving & Storage Co., Inc.	-0-	N/R	67,695	N/R	63,466	N/R	93.8	N/R	5	23,664	N/R	N/R
Farmers Oil Cò., Inc.	60,241	47,183	60,241	47,183	48,121	35,370	79.9	75.0	2	17,694	1	12,775
Farrar Trf. & Storage Whse., Inc.	64,922	111,039	285,121	362,477	255,367	362,892	89.6	100.1	20	128,598	22	179,768
Federal Motor Express	287,438	276,591	287,438	276,591	242,129	226,981	84.2	82.1	12	86,306	10	94,276
Federated Transport, Inc.	69,928	92,704	69,928	92.704	60,322	89,991	86.3	97.1	1	5,502	-0-	-0-
Fidelity Moving & Storage Co., Inc.	106,300	118,172	407,387	443,838	345,243	404,248	84.7	91.1	17	116,774	21	157,246

X — Began operations in 1978.

N/A — Not available.

N/R — Report not submitted or in dormant status.

FIGURE NO. 61—Continued

MOTOR FREIGHT CARRIERS (CLASS III)
Income, Expense, and Statistical Data for the Years 1977 and 1978
. (North Carolina and Total System)
(Actual Dollars)

	North Carolina		Total System						N.C. Employee Data for Total Operations			
	Regulated Revenues 1977	Regulated Revenues 1978	Total Revenues 1977	Total Revenues 1978	Total Expenses 1977	Total Expenses 1978	Operating Ratios 1977	Operating Ratios 1978	Avg. No. of Employees 1977	Total Salaries Paid 1977	Avg. No. of Employees 1978	Total Salaries Paid 1978
Five "C's", Inc.	$ N/R	$ N/R	$ N/R	$ N/R	$ N/R	$ N/R	N/R%	N/R%	N/R	$ N/R	N/R	$ N/R
Fleming-Shaw Trf. & Storage, Inc.	227,004	270,262	335,078	368,885	344,878	335,078	102.9	90.8	19	167,742	17	179,969
Forest Dale Motors, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Foster, George, Transfer	24,418	34,383	89,529	96,006	87,429	101,159	97.7	105.4	2	12,319	2	18,403
Fowler, M.M., Inc.	278,037	289,846	278,037	289,846	239,438	242,540	86.1	83.7	7	93,497	8	99,494
Fox Brothers	20,363	16,294	20,363	16,294	11,490	9,675	56.4	59.4	1	9,200	1	9,600
Frady, James Woodrow	44,834	25,100	44,834	25,100	35,124	18,865	78.3	75.2	1	3,200	1	2,837
Frank's Mobile Home Movers	X	1,100	X	1,100	X	1,652	X	150.2	X	X	-0-	-0-
Fuel Oil Service Co., Inc.	179,982	363,878	179,982	363,878	157,450	343,828	87.5	94.5	4	50,462	10	107,878
Fuller Oil Co., Inc.	X	10,332	X	10,332	X	N/A	X	N/A	X	X	3	30,646
Futrell Chip Co.	22,055	28,112	391,095	492,471	326,443	442,513	83.5	89.9	8	50,780	8	59,142
G&M Used Car Carrier	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Gardner-Creech Oil Co., Inc.	2,062	2,870	2,062	2,870	2,309	2,942	112.0	102.5	1	600	1	720
Gasperson, Roy M.	54,882	78,951	54,882	78,951	41,150	54,703	75.0	69.3	5	23,943	5	34,638
Gibson, John Louie	9,077	8,211	14,534	12,891	8,247	8,008	56.7	62.1	-0-	-0-	-0-	-0-
Gilbert Transfer Co.	252,171	270,339	284,027	300,849	278,757	302,045	98.1	100.4	13	132,691	13	135,792
Gilbert Trucking Co.	53,080	57,545	118,849	124,007	116,327	128,470	97.9	103.6	4	35,654	8	40,367
Glover Sales, Inc.	5,131	7,964	359,194	448,804	354,957	415,970	98.8	92.7	3	28,300	3	28,600
Godwin Transport Co., Inc.	110,144	121,091	116,756	127,857	118,084	117,400	101.1	91.8	3	42,778	3	43,574
Goldsboro Van & Storage, Inc.	132,377	150,561	132,377	150,561	118,055	152,622	89.2	101.4	5	44,770	3	34,849
Goodwin, K.W., Transfer Co.	43,075	51,226	277,786	323,824	261,079	314,504	94.0	97.1	13	105,952	18	127,707
Grady Moving & Storage, Inc.	-0-	54,725	184,063	179,017	174,963	191,906	95.1	107.2	12	71,993	8	54,151
Graham, Garland R.	-0-	2,953	3,978	2,953	2,462	1,716	61.9	58.1	-0-	-0-	-0-	-0-
Grandpaps Mobile Home Serv.	35,910	52,155	35,910	52,155	30,264	36,739	84.3	70.4	1	5,830	1	6,095
Granville House, Inc.	114,001	N/R	114,001	N/R	106,025	N/R	93.0	N/R	11	99,777	N/R	N/R
Greene Haulers, Inc.	222,196	291,267	222,196	291,267	216,634	290,106	97.5	99.6	6	69,836	6	67,122
Greenwood Trf. & Storage Co., Inc.	-0-	-0-	142,654	129,217	149,537	127,726	104.8	98.8	-0-	-0-	-0-	-0-
Griffin Trf. & Storage Co.	145,968	153,156	164,436	171,775	163,111	171,879	99.2	100.1	10	69,926	9	61,180
Grimes, Alton E.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Grose, J.R., Transfer Co.	12,931	12,799	68,872	68,262	66,597	57,121	96.7	83.6	3	21,832	3	22,837
Gupton, Donald Lee	10,797	15,985	38,536	41,988	27,739	26,003	72.0	61.9	-0-	-0-	-0-	-0-
Hafer Transfer Co.	2,268	2,345	49,144	30,632	16,608	12,477	33.8	40.7	-0-	485	-0-	920
Haigler Trucking Co.	14,328	3,622	40,061	90,309	N/A	N/A	N/A	N/A	1	7,200	3	32,614
Haley Trf. & Storage, Inc.	6,479	N/R	556,402	N/R	510,244	N/R	91.7	N/R	33	346,984	N/R	N/R
Hall's Transfer	14,268	38,555	41,572	41,233	22,647	22,073	54.5	53.5	2	11,458	2	10,166
Hamrick, J. Austin	16,620	6,700	16,620	6,700	12,056	4,671	72.5	69.7	1	7,755	1	3,170
Harnett Transfer, Inc.	-0-	-0-	161,541	97,641	154,892	111,075	95.9	113.8	2	11,585	2	16,416
Harvel's, Cliff, Moving Co.	32,390	42,246	32,390	62,851	23,772	69,610	73.4	110.8	1	5,849	7	37,138
Haywood Trf. & Storage Co., Inc.	35,057	38,084	117,126	155,236	100,745	131,917	86.0	85.0	5	42,729	4	49,351
Haywood-Atkins Trucking, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Hendrix, T.C., Jr.	17,000	18,000	17,000	18,000	15,200	15,800	89.4	87.8	1	10,600	1	11,000
Herlocker Oil Co., Inc.	13,000	6,526	13,000	6,526	12,000	15,605	92.3	239.1	1	5,775	1	2,100
Herman, Ray L.	3,377	5,705	3,377	5,705	3,642	4,543	107.8	79.6	-0-	-0-	-0-	-0-
Hester Trf. & Storage Co.	23,209	26,625	29,709	29,625	32,606	35,298	109.8	119.1	2	6,809	2	14,507
Hester's Transfer	-0-	-0-	48,359	66,810	39,506	50,262	81.7	75.2	-0-	-0-	-0-	-0-
Hickory Merchants Delivery	50,474	70,527	50,474	70,527	24,294	40,341	48.1	57.2	1	12,725	3	20,850
Highland Moving & Storage Co., Inc.	38,792	1,943	191,395	176,103	175,134	173,733	91.5	98.7	11	72,208	11	75,690
High Point Delivery Co., Inc.	24,998	19,689	26,958	19,689	26,000	20,000	96.4	102.2	1	3,080	1	5,650
Hill, I.H., Trf. & Storage, Inc.	29,665	18,954	157,255	111,888	144,662	141,373	92.0	127.1	5	75,513	5	73,319
Hill's Truck Line, Inc.	58,566	131,081	337,581	519,207	330,713	530,542	98.0	102.2	8	55,814	12	105,455
Hill-Top Transport	107,742	91,053	165,643	211,473	143,975	174,861	86.9	82.7	4	49,859	5	67,079

X — Began operations in 1978.
N/A — Not available.
N/R — Report not submitted or in dormant status.

FIGURE NO. 61—Continued

MOTOR FREIGHT CARRIERS (CLASS III)

Income, Expense, and Statistical Data for the Years 1977 and 1978
(North Carolina and Total System)
(Actual Dollars)

	North Carolina		Total System						N.C. Employee Data for Total Operations			
	Regulated Revenues		Total Revenues		Total Expenses		Operating Ratios		Avg. No. of Employees	Total Salaries Paid	Avg. No. of Employees	Total Salaries Paid
	1977	1978	1977	1978	1977	1978	1977	1978	1977	1977	1978	1978
Hobgood Transport, Inc.	$ -0-	$ -0-	$ 22,289	$ 8,380	$ 19,141	$ 7,156	85.9%	85.4%	-0-	$ -0-	-0-	$ -0-
Hodges Brothers	33,030	24,651	105,272	107,609	82,595	94,219	78.5	87.6	4	32,669	4	35,711
Hodges, Ed F., Inc.	161,946	209,097	161,946	209,097	108,595	169,020	67.1	80.8	3	29,159	4	39,737
Hollowell Transportation Co., Inc.	57,887	64,082	60,606	64,082	52,900	56,747	87.3	88.6	1	15,620	2	15,681
Holt, H.R.	144,076	146,855	144,076	146,855	101,047	106,622	70.1	72.6	2	31,606	3	39,407
Honeycutt, J.B., Inc.	325,722	249,136	2,078,363	339,632	2,029,952	396,913	97.7	116.9	13	147,683	8	76,936
Hopkins, Dillard Odell	259,441	193,956	259,441	349,193	306,985	425,296	118.3	121.8	11	81,700	13	165,417
Hopper Brothers, Inc.	16,860	16,359	16,860	16,359	17,000	14,264	100.8	87.2	1	8,381	1	7,070
Howell Transfer Co.	-0-	-0-	162,843	166,748	141,909	141,474	87.1	84.8	8	66,678	8	68,180
Hudson, Nathaniel J.	128	3,372	10,926	5,919	7,224	5,052	66.1	85.4	-0-	-0-	-0-	-0-
Hughes Trucking Co.	76,985	57,192	76,985	57,192	47,216	15,342	61.3	26.8	4	22,196	4	22,535
Humphrey-Hardison Oil Co.	29,391	35,972	29,391	35,972	29,469	28,051	100.3	78.0	1	9,130	1	8,319
Humphrey, Troy, Moving & Storage, Inc.	9,906	15,458	198,128	309,167	188,237	305,079	95.0	98.7	22	58,824	24	121,448
Industrial Asphalt Transport, Inc.	196,780	282,990	290,597	488,560	263,172	409,516	90.6	83.8	16	136,200	19	148,816
Ingle Trf. & Storage Co., Inc.	60,727	60,723	329,610	485,569	322,513	481,983	97.8	99.3	18	154,032	20	185,654
Isenhower Trf. & Storage Co.	128,199	232,432	245,178	369,948	250,169	376,125	102.0	101.7	12	69,353	14	108,416
Ives Transport, Inc.	154,106	148,801	154,106	148,801	150,429	146,699	97.6	98.6	4	46,948	4	44,472
J&A Mobile Homes	8,293	7,130	8,293	7,130	7,800	6,860	94.1	96.2	-0-	-0-	-0-	-0-
Jack's Mobile Home Service	26,830	24,204	26,830	24,204	24,851	23,465	92.6	96.9	3	6,969	2	7,517
Jackson's Transfer	8,196	10,633	40,982	48,330	32,830	32,427	80.1	67.1	-0-	-0-	-0-	-0-
James Supply Co.	N/R	17,000	N/R	69,000	N/R	55,135	N/R	79.9	N/R	N/R	2	20,700
Jenkins, J.W., Inc.	200,010	233,571	200,010	233,571	192,286	221,143	96.1	94.7	26	242,948	26	265,972
Johnny's Mobile Home Service	12,486	58,961	12,486	58,961	12,000	N/A	96.1	N/A	-0-	-0-	-0-	-0-
Johnson's Mobile Home Service	4,478	2,826	4,478	2,826	3,310	3,141	73.9	111.1	-0-	-0-	-0-	-0-
Jones, Henderson S.	42,563	49,969	42,563	49,969	39,416	48,655	92.6	97.4	3	12,553	3	15,110
Jones Mobile Home Service, Inc.	17,027	13,680	17,027	13,680	15,348	13,566	90.1	99.2	-0-	-0-	1	3,130
Jones Transfer, Inc.	114,950	53,856	183,626	246,562	186,771	279,682	101.7	113.4	7	44,372	7	57,050
Joyner Trucking Co.	50,354	98,846	152,120	159,715	156,993	159,828	103.2	100.1	7	55,374	8	59,815
Kallam Transfer Co., Inc.	15,782	31,369	157,098	293,430	152,813	288,854	97.3	98.4	9	59,884	10	122,178
Keever, L.J., Moving Service	26,641	27,722	26,641	27,722	21,225	26,543	79.7	95.7	3	13,762	3	15,658
Kendall Trucking & Grading	N/R	200,244	N/R	200,244	N/R	180,713	N/R	90.2	N/R	N/R	3	27,254
Kepley Moving & Storage, Inc.	8,623	2,307	42,174	45,491	43,988	48,705	104.3	107.1	6	29,272	5	31,992
Kindle Pick-Up & Delivery Service	-0-	-0-	85,592	99,873	49,092	57,273	57.4	57.3	2	11,122	4	20,353
King, Neb, Inc.	N/R	4,320	N/R	4,320	N/R	N/A	N/R	N/A	N/R	N/R	2	24,600
Kinston Moving & Storage, Inc.	-0-	65,152	87,843	80,094	86,030	76,729	97.9	95.8	4	32,800	3	27,650
Ladd, J.E. & Son	40,145	43,925	40,145	43,925	26,328	25,551	65.6	58.2	2	19,430	3	19,376
Lamb's Mobile Home Movers	X	25,000	X	25,000	X	4,750	X	19.0	X	X	1	11,160
Laughinghouse, Charles C.	34,737	12,479	34,737	38,674	28,537	23,624	82.2	61.1	1	5,233	1	8,608
Lawndale Transportation Co.	26,636	18,808	26,636	18,808	27,401	19,296	102.9	102.6	1	9,619	1	10,759
Leary Bros. Storage Co.	9,399	8,619	464,593	459,074	434,871	453,585	93.6	98.8	21	112,737	20	108,824
Lee, Ambrose, Jr.	2,256	1,237	2,256	1,237	1,374	1,188	60.9	96.0	-0-	-0-	-0-	-0-
Lewis-Thompson Transfer	N/R	285	N/R	285	N/R	421	N/R	147.7	N/R	N/R	-0-	-0-
Lockwood Brothers, Inc.	7,857	9,856	2,474,605	3,153,252	2,554,530	3,289,345	103.2	104.3	-0-	-0-	-0-	-0-
Loftins Trucking Co.	X	12,441	X	12,441	X	8,087	X	65.0	X	X	1	2,737
Long's Body Shop	16,077	17,100	16,077	17,100	10,192	11,800	63.4	69.0	-0-	-0-	-0-	-0-
Loving, T.A., Co.	35,161	36,088	35,161	36,088	57,396	40,240	163.2	111.5	2	11,888	2	12,142
Lower Creek Mobile Homes	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Lowe's Transfer Service	26,400	26,422	42,400	48,614	36,813	N/A	86.8	N/A	2	15,000	4	21,000
M&H Trucking Co., Inc.	88,305	64,727	88,305	64,727	52,225	49,687	59.1	76.7	3	21,810	3	19,498
M&M Movers	12,762	14,632	12,762	14,632	10,242	10,452	80.3	71.4	1	1,918	1	2,165

X — Began operations in 1978.
N/A — Not available.
N/R — Report not submitted or in dormant status.

FIGURE NO. 61 —Continued

MOTOR FREIGHT CARRIERS (CLASS III)

Income, Expense, and Statistical Data for the Years 1977 and 1978
(North Carolina and Total System)
(Actual Dollars)

	North Carolina		Total System						N.C. Employee Data for Total Operations			
	Regulated Revenues		Total Revenues		Total Expenses		Operating Ratios		Avg. No. of Employees	Total Salaries Paid	Avg. No. of Employees	Total Salaries Paid
	1977	1978	1977	1978	1977	1978	1977	1978	1977	1977	1978	1978
M&S Transport, Inc.	$ 94,970	$ 112,261	$ 94,970	$ 112,261	$ 116,525	$ 109,230	122.7%	97.3%	4	$ 43,243	4	$ 39,093
Macon, Joseph L.	146,772	N/R	146,772	N/R	107,665	N/R	73.4	N/R	4	44,486	N/R	N/R
Mallonee Village Warehouse, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Mangum, C.C., Inc.	198,579	254,247	198,579	254,247	141,928	195,003	71.5	76.7	219	2,295,499	222	2,487,808
Martin Transport Co., Inc.	71,454	95,392	71,454	95,392	52,263	66,559	73.1	69.8	2	26,085	3	29,218
Martin, W.M., Inc.	12,200	13,081	118,126	59,841	118,032	46,751	99.9	78.1	5	32,138	1	15,450
Maxton Oil & Fertilizer Co.	N/R	44,158	N/R	44,158	N/R	39,742	N/R	90.0	N/R	N/R	-0-	-0-
May Moving of Goldsboro, Inc.	93,682	2,182	222,256	291,718	216,459	298,192	97.4	102.2	10	59,172	11	86,770
McBane-Brown Oil Co., Inc.	4,949	N/R	925,649	N/R	254,952	N/R	27.5	N/R	11	187,526	N/R	N/R
McCauley Bros. Moving & Storage, Inc.	17,850	20,244	115,600	152,816	117,477	133,928	101.6	87.6	6	40,431	8	53,034
McCauley Moving & Storage of Fayetteville, Inc.	75,444	43,272	348,967	366,284	331,995	341,869	95.1	93.3	17	141,151	27	180,082
McCotter, J.D., Inc.	N/A	-0-	N/A	124,979	N/A	40,407	N/A	32.3	14	115,088	7	81,223
McCoy's Transfer	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
McCreary's Mobile Home Towing Serv.	11,441	8,344	11,441	8,344	8,563	9,804	74.8	117.5	-0-	-0-	-0-	-0-
McCullough, Wm. F., Jr.	43,331	58,506	43,331	58,506	37,840	55,798	87.3	95.4	3	11,884	4	15.246
McKelthan, Julian B.	11,286	21,497	11,286	21,497	11,019	18,110	97.6	84.2	-0-	-0-	-0-	-0-
Merchants Moving & Storage, Inc.	43,285	38,528	178,827	180,003	149,766	149,220	83.7	82.9	12	80,414	11	83,464
Mid-State Oil Co.	19,712	7,306	19,712	7,306	17,557	6,706	89.1	91.8	4	59,613	3	2,229
Mid-State Service Co., Inc.	53,915	60,316	578,688	612,300	529,165	562,650	91.4	91.9	5	55,605	3	63,307
Milovitz Mobile Home Moving	7,719	11,850	7,719	11,850	5,624	15,893	72.9	134.0	-0-	-0-	-0-	-0-
Mini-Haul, Inc.	63,058	78,528	63,058	78,528	59,690	64,723	94.7	82.4	3	37,089	2	16,980
Mobile Home Sales & Repair	10,472	8,694	10,472	8,694	3,603	3,153	34.4	36.3	-0-	-0-	-0-	-0-
Moore's Airport Limousine Serv., Inc.	4,682	6,240	4,682	321,854	4,150	294,101	88.6	91.4	-0-	-0-	22	145,269
Moore's Delivery Service	41,236	44,177	41,236	44,177	30,479	30,867	73.9	69.9	1	5,186	1	6,500
Moore's Mobile Manor & Service	12,857	13,232	12,857	13,232	8,144	11,930	63.3	90.2	-0-	1,082	1	2,477
Morehead Moving & Storage	8,435	7,773	36,614	22,743	27,060	22,184	73.9	97.5	1	5,185	1	3,954
Morrisland Corp.	58,547	71,546	58,547	71,546	51,176	57,803	87.4	80.8	2	19,672	2	24,382
Move-It Company	81,450	83,760	108,297	124,771	94,549	111,207	87.3	89.1	9	45,647	8	52,843
Mullikin Transfer, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Mullis, Brandon L., Inc.	184,503	167,845	451,880	273,985	475,385	267,320	105.2	97.6	11	118,093	7	93,585
N.C. Transport, Inc.	109,747	160,454	109,747	160,454	115,060	165,370	104.8	103.1	6	28,932	6	47,439
National Moving & Storage	27,349	36,289	136,582	114,319	135,866	117,357	99.5	102.7	6	36,623	5	35,771
Newsom Transports, Inc.	1,726	-0-	103,084	100,120	98,655	94,547	95.7	94.4	2	25,424	2	26,579
Nichols, A.T., Trucking Co., Inc.	-0-	-0-	386,711	769,497	439,280	721,292	113.6	93.7	13	109,418	13	134,350
Nordan Transportation Co., Inc.	147,648	42,708	147,648	141,389	145,417	137,530	98.5	97.3	2	13,500	3	18,000
Norris, Elwood	43,516	52,960	43,516	52,960	40,638	53,382	93.4	100.8	2	5,330	2	12,150
North America Movers of N.C., Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Northwestern Dodge-Plymouth Sales, Inc.	24,778	33,838	24,778	33,838	19,353	27,575	78.1	81.5	-0-	-0-	-0-	-0-
O'Kelly, W.J., Trucking Line	N/R	6,942	N/R	6,942	N/R	5,456	N/R	78.6	N/R	N/R	1	2,700
Olive & Lassiter Tobacco Contr.	7,984	N/R	7,984	N/R	4,115	N/R	51.5	N/R	3	2,658	N/R	N/R
O'Neal Trailer Sales	1,485	3,632	1,485	3,632	1,137	1,976	76.6	54.4	-0-	-0-	-0-	-0-
O'Quinn, Earl	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Ormond, W.W., Trf. Co.	N/R	5,595	N/R	154,844	N/R	157,000	N/R	101.4	N/R	N/R	7	91,195
Outer Banks Mobile Home Transit	13,500	16,800	13,500	16,800	7,250	9,750	53.7	58.0	-0-	-0-	-0-	-0-
Overcash Transfer, Inc.	-0-	N/R	118,675	N/R	136,570	N/R	115.1	N/R	-0-	-0-	N/R	N/R
Overman, R.C., Trucking Co.	253,172	257,449	253,172	257,449	256,092	239,826	101.2	93.2	8	71,076	8	72,770
Owens, W.W. & Sons Trf. & Storage	12,821	18,606	250,284	268,628	208,817	247,933	83.4	92.3	16	94,509	18	111,070
P&Y Mobile Homes, Inc.	7,285	5,624	277,912	172,589	197,040	186,628	70.9	108.1	10	81,540	9	80,713
Package Del. Serv., Inc., of Durham, N.C.	49,060	58,328	49,060	58,328	49,556	54,632	101.0	93.7	3	27,540	4	30,924
Pait Transfer, Inc.	36,960	29,221	230,588	189,734	238,627	198,547	103.5	104.6	12	77,997	8	49,786
Pannell, Willie Neal, Trf.	15,334	16,372	15,334	16,372	3,444	9,663	22.5	59.0	2	2,068	4	5,103

X — Began operations in 1978.
N/A — Not available.
N/R — Report not submitted or in dormant status.

FIGURE NO. 61—Continued

MOTOR FREIGHT CARRIERS (CLASS III)
Income, Expense, and Statistical Data for the Years 1977 and 1978
(North Carolina and Total System)
(Actual Dollars)

	North Carolina				Total System				N.C. Employee Data for Total Operations			
	Regulated Revenues 1977	Regulated Revenues 1978	Total Revenues 1977	Total Revenues 1978	Total Expenses 1977	Total Expenses 1978	Operating Ratios 1977	Operating Ratios 1978	Avg. No. of Employees 1977	Total Salaries Paid 1977	Avg. No. of Employees 1978	Total Salaries Paid 1978
Parker, Donald C.	$ 33,448	$ 35,904	$ 33,448	$ 35,904	$ 17,623	$ 18,304	52.7%	51.0%	-0-	$ -0-	-0-	$ -0-
Parks Moving & Storage Co., Inc.	10,245	9,827	241,734	228,799	239,152	220,896	98.9	96.5	15	71,022	11	70,899
Parnell Transfer, Inc.	-0-	N/R	252,949	N/R	252,749	N/R	99.9	N/R	-0-	-0-	N/R	N/R
Parton Moving & Storage	N/R	8,336	N/R	32,381	N/R	22,861	N/R	70.6	N/R	N/R	-0-	-0-
Patterson, Ralph K.	1,644	1,340	1,644	1,340	1,648	1,365	100.2	101.9	-0-	-0-	-0-	-0-
Paul, Charles	30,501	48,713	30,501	48,713	27,146	42,638	89.0	87.5	-0-	-0-	1	4,040
Perry's Transfer Co.	35,706	35,698	35,706	35,698	17,335	13,401	48.5	37.5	-0-	-0-	-0-	-0-
Petroleum Transport Co., Inc.	202,569	210,479	202,569	210,479	173,900	203,904	85.8	96.9	10	68,689	10	72,225
Phillips, A.P.	26,534	20,746	29,534	25,746	26,327	31,014	89.1	120.5	2	6,672	1	7,455
Piedmont Fuel & Distr. Co., Inc.	114,575	116,035	114,575	116,035	103,921	106,088	90.7	91.4	5	48,678	5	50,425
Piedmont Mobile Home Movers	-0-	-0-	4,000	5,000	2,618	3,662	65.5	73.0	-0-	-0-	-0-	-0-
Piedmont Van & Storage Co., Inc.	58,727	19,395	283,720	361,550	278,790	356,567	98.3	98.6	10	62,404	8	95,831
Pilot Van Lines, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Pipe Line Haulers, Inc.	-0-	N/R	100	N/R	163	N/R	163.0	N/R	-0-	-0-	N/R	N/R
Polar Transport, Inc.	2,762	1,400	2,762	1,400	2,698	1,053	97.7	75.2	-0-	-0-	-0-	-0-
Pope's Mobile Home Moving	81,547	30,268	81,547	118,568	70,519	116,176	86.5	98.0	4	32,945	8	47,097
Pope's Trailer Towing Co., Inc.	228,567	197,249	228,567	197,249	177,146	158,108	77.5	80.2	5	40,505	4	33,312
Port City Trf. & Storage Co.	22,275	14,814	44,834	52,085	41,980	48,907	93.6	93.9	-0-	1,400	3	4,300
Potter, Ben Felton	-0-	N/R	117,652	N/R	212,493	N/R	180.6	N/R	4	27,024	N/R	N/R
Price, Harold Maxton	7,210	8,110	7,210	8,110	4,597	4,680	63.8	57.7	-0-	-0-	-0-	-0-
Public Transport Corp.	423,832	356,335	427,642	356,335	408,899	355,441	95.6	99.7	11	114,527	8	103,821
Queen City Moving & Storage Co.	183,257	211,422	370,572	431,607	368,534	415,466	99.5	96.3	15	135,636	14	156,399
Rabon Transfer, Inc.	77,031	97,473	221,746	148,966	242,014	168,323	109.1	113.0	8	70,079	8	49,105
Raleigh Delivery Serv., Inc.	282,774	306,254	282,774	309,479	291,054	326,388	102.9	105.5	19	179,440	25	190,840
Raleigh Furniture Storage Co., Inc.	51,593	58,498	228,590	258,119	227,027	265,329	99.3	102.8	11	97,465	15	98,472
Rape Grain Co.	X	N/R	X	N/R	X	N/R	X	N/R	X	X	N/R	N/R
Ray-Mac Supply Co.	19,615	145,551	92,867	145,551	99,998	145,555	107.7	100.0	3	28,090	3	34,605
Ray, Manley, Moving	25,584	22,759	31,353	26,063	13,237	13,279	42.2	50.9	1	5,024	1	5,656
Ray Moving & Storage, Inc.	80,355	92,738	404,058	492,174	379,087	493,468	93.8	100.3	15	158,489	15	195,280
REA Express, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Regional Storage & Transport, Inc.	N/R	314,220	N/R	317,975	N/R	340,130	N/R	107.0	N/R	N/R	10	90,265
Re-Jim, Inc.	112,644	156,080	112,644	156,080	110,626	140,066	98.2	89.7	4	48,749	4	45,726
Reliable Van & Storage, Inc.	59,944	4,869	343,012	413,342	330,595	402,822	96.4	97.5	8	60,802	14	91,126
Research Triangle Moving & Storage, Inc.	135,519	72,090	326,494	156,774	329,193	170,712	100.8	108.9	55	133,467	6	66,406
Rick's Trailer Park	16,144	18,141	16,144	18,141	7,325	7,440	45.4	41.0	1	2,222	1	2,558
Riverside Mobile Home Movers	24,938	23,330	24,938	23,330	20,739	N/A	83.2	N/A	-0-	-0-	-0-	-0-
Riverside Transportation Co., Inc.	18,930	86,816	90,459	310,963	111,367	354,498	123.1	114.0	3	10,605	3	42,947
Roberts, C.C., Concrete Constr. Co., Inc.	32,830	48,336	59,697	105,128	71,804	93,152	120.3	88.6	4	24,324	4	32,034
Ronald's Trailer Transport	73,604	74,720	82,604	85,884	62,038	66,757	75.1	77.7	2	19,031	2	12,022
Roney, W.C., Trucking Co., Inc.	86,279	48,781	86,279	48,781	81,792	58,254	94.8	119.4	5	19,895	1	7,638
Rorer, Russell D.	6,815	7,326	6,815	7,326	3,500	4,405	51.4	60.1	-0-	-0-	-0-	-0-
Rosdahl, Lloyd V.	-0-	-0-	160,132	167,214	113,307	128,149	70.8	76.6	9	67,176	9	75,341
Royster & Weddle Housetrailer Towing Serv.	27,189	24,018	27,189	24,018	25,530	22,782	93.9	94.9	-0-	-0-	-0-	-0-
Rucker Moving & Storage Co.	114,691	111,168	482,699	366,673	551,233	418,803	114.2	114.2	32	336,874	20	227,662
Rucker Trf. & Storage Co., Inc.	X	70,583	X	240,759	X	260,689	X	108.3	X	X	12	129,099
Russell Transfer Co., Inc.	29,330	31,353	231,403	246,631	209,740	234,006	90.6	94.9	16	137,589	15	155,534
S&R Auto & Truck Service, Inc.	287,437	229,051	381,349	455,506	371,366	450,322	97.4	98.9	13	189,550	15	180,511
STG Transport, Inc.	162,101	195,487	162,861	195,487	151,301	182,717	92.9	93.5	3	80,030	3	102,903
Sain, Leon, Transfer Co.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Sandhills Bonded Whse., Inc.	45,179	14,348	92,904	106,877	77,198	88,567	83.1	82.9	4	36,000	4	35,246
Sanford Trf. & Storage Co.	866	N/R	866	N/R	1,047	N/R	120.9	N/R	-0-	-0-	N/R	N/R

X — Began operations in 1978.
N/A — Not available.
N/R — Report not submitted or in dormant status.

FIGURE NO. 61—Continued

MOTOR FREIGHT CARRIERS (CLASS III)

Income, Expense, and Statistical Data for the Years 1977 and 1978
(North Carolina and Total System)
(Actual Dollars)

	North Carolina		Total System						N.C. Employee Data for Total Operations			
	Regulated Revenues		Total Revenues		Total Expenses		Operating Ratios		Avg. No. of Employees	Total Salaries Paid	Avg. No. of Employees	Total Salaries Paid
	1977	1978	1977	1978	1977	1978	1977	1978	1977	1977	1978	1978
Seaboard Moving & Storage, Inc.	$ N/R	$ N/R	$ N/R	$ N/R	$ N/R	$ N/R	N/R%	N/R%	N/R	$ N/R	N/R	$ N/R
Self's Scrap & Metal Co.	1,586	-0-	7,654	3,967	6,512	1,796	85.1	45.3	-0-	-0-	-0-	-0-
Sells Service, Inc.	65,844	52,444	143,267	172,195	136,389	156,361	95.2	90.8	8	57,183	8	73,180
Service Moving & Storage, Inc.	119,810	1,070	161,726	117,723	152,169	116,408	94.1	98.9	7	37,921	8	43,599
Service Recovery Corp.	15,055	70,602	15,055	70,602	15,000	31,446	99.6	44.5	-0-	-0-	13	49,486
Shaw Moving & Storage, Inc.	75,209	70,483	114,681	107,474	111,562	104,330	97.3	97.1	7	41,477	7	41,345
Sheets Trf. & Storage Co., Inc.	25,834	22,152	185,526	276,144	181,826	265,544	98.0	96.2	6	44,211	8	61,065
Shelby Mobile Home Movers	6,537	N/R	6,537	N/R	6,000	N/R	91.8	N/R	-0-	-0-	N/R	N/R
Shelby Motor Lines, Inc.	153,687	111,467	154,293	247,704	157,317	216,130	102.0	87.3	8	79,426	10	115,370
Shelton, C.E.	14,218	N/R	14,218	N/R	17,100	N/R	120.3	N/R	1	4,551	N/R	N/R
Smith, Alvin Alexander	-0-	-0-	166,694	164,439	165,566	163,618	99.3	99.5	3	40,293	4	37,783
Smith, Elton C., Jr., Moving Co.	43,274	53,014	50,367	53,014	32,500	38,000	64.5	71.7	4	12,903	2	16,258
Smith Transfer & Storage	5,970	5,762	5,970	5,762	2,709	2,092	45.4	36.3	1	1,050	1	1,517
Smith, W.E., Moving Co., Inc.	1,566	142	84,233	80,924	100,225	78,411	119.0	96.9	8	43,201	8	42,983
Smithfield Motor Co.	4,105	4,767	4,105	4,767	2,901	2,847	70.7	59.7	1	1,359	1	1,192
South Atlantic Bonded Whse. Corp.	249,948	330,027	249,948	330,027	277,651	348,074	111.1	105.5	34	329,199	40	505,348
Spruill, Norman A.	13,572	17,417	17,725	21,062	9,281	9,258	52.4	44.0	-0-	-0-	-0-	-0-
Spruill's Mobile Home Moving	4,062	6,385	4,062	6,385	1,581	2,440	38.9	38.2	-0-	-0-	-0-	-0-
Stainback Trucking, Inc.	83,565	283,181	247,914	287,783	82,962	245,479	33.5	85.3	62	114,280	71	95,776
Staley, Joseph T.	13,019	12,156	13,019	12,156	9,331	7,804	71.7	64.2	2	3,134	2	2,777
Standard Moving & Storage, Inc.	22,110	1,033	222,961	232,592	220,283	224,752	98.8	96.6	8	54,458	8	61,377
Stanley's Transfer Co.	X	12,626	X	289,363	X	297,514	X	102.8	X	X	19	75,837
State Moving & Storage, Inc.	2,140	1,541	121,472	214,053	100,632	195,587	82.8	91.4	6	41,825	7	74,109
State Trucking Co.	195,644	383,714	195,644	383,714	199,384	391,149	101.9	101.9	8	102,754	9	118,189
Stevenson, R.L.	4,031	5,999	4,031	5,999	3,339	3,471	82.8	57.9	-0-	-0-	-0-	-0-
Stewart, Henry Carl	4,219	2,061	4,219	2,061	3,976	3,015	94.2	146.3	-0-	1,140	-0-	560
Strick's Transporters	8,472	4,794	8,472	4,794	7,073	5,047	83.5	105.3	-0-	-0-	-0-	-0-
Sutton, Frank, Contract Carrier	-0-	-0-	7,169	7,140	3,450	3,450	48.1	48.3	1	3,719	-0-	-0-
Sutton, Harper H., Transp. Co.	96,470	103,859	96,470	103,859	71,539	83,643	74.2	80.5	3	17,784	2	22,360
Swain, Robert Ward	138,079	157,792	698,310	640,700	597,127	562,196	85.5	87.7	43	257,450	45	283,031
System Control, Inc.	69,729	178,782	69,729	178,782	64,217	143,293	92.1	80.1	4	39,974	13	101,845
Tappan Carriers, Inc.	306,552	325,665	306,552	325,665	266,935	286,018	87.1	87.8	1	10,206	1	9,042
Tar Heel Moving & Storage, Inc.	20,464	26,414	57,015	111,429	65,076	92,117	114.1	82.7	4	27,988	5	33,989
Taylor Bros. Movers	2,950	12,939	22,597	87,807	25,162	87,218	111.4	99.4	1	5,707	4	31,888
Terminal Storage Co., Inc.	37,026	29,060	242,845	201,183	233,477	198,734	96.1	98.8	15	100,596	16	109,273
Tew, W.L.	-0-	N/R	56,569	N/R	44,373	N/R	78.4	N/R	1	9,418	N/R	N/R
Thomas Transfer, Inc.	67,186	54,277	67,186	80,999	67,234	77,173	100.1	95.3	4	29,387	4	36,467
Tobacco Growers Services, Inc.	7,614	11,299	7,614	11,299	23,497	19,676	308.6	174.1	2	4,092	2	2,805
Tri-City Moving & Storage Co., Inc.	74,393	91,412	317,631	385,946	293,701	376,913	92.5	97.7	12	147,846	15	184,258
Tri-County Transport, Inc.	484,000	489,930	484,000	489,930	436,000	271,530	90.1	55.4	N/A	N/A	N/A	N/A
Tripp Enterprises, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Tru-Pak Moving & Storage	18,046	42,956	418,488	498,840	306,239	404,015	73.2	81.0	5	41,139	13	65,405
Tryon Moving & Storage, Inc.	-0-	-0-	119,846	86,280	171,129	92,110	142.8	106.8	27	69,411	8	42,211
Tyler, James L.	34,460	39,478	34,460	39,478	13,672	16,932	39.7	42.9	N/A	N/A	N/A	N/A
Umstead Brothers, Inc.	59,160	57,333	114,709	122,777	111,303	126,332	97.0	102.9	14	38,393	12	38,541
Union Trf. & Storage Co., Inc.	35,964	25,831	417,630	25,831	386,167	2,695	92.5	10.4	36	220,217	21	184,962
United Limestone Products, Inc.	297,591	287,863	297,591	287,863	283,370	309,495	95.2	107.5	6	65,539	6	65,479
Waccamaw Housing Transport, Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Waccamaw Transport Co.	153,358	178,685	153,587	178,915	162,444	174,821	105.8	97.7	5	63,192	5	69,073
Walker Transfer	85,775	102,938	419,617	273,550	356,004	251,237	84.8	91.8	6	120,900	5	78,656
Watson Transportation Co.	9,943	12,138	9,943	12,138	4,519	3,998	45.4	32.9	1	970	1	962

X — Began operations in 1978.
N/A — Not available.
N/R — Report not submitted or in dormant status.

FIGURE NO. 61 Continued

MOTOR FREIGHT CARRIERS (CLASS III)

Income, Expense, and Statistical Data for the Years 1977 and 1978
(North Carolina and Total System)
(Actual Dollars)

	North Carolina		Total System						N.C. Employee Data for Total Operations			
	Regulated Revenues		Total Ravenues		Total Expenses		Operating Ratios		Avg. No. of Employees	Total Salaries Paid	Avg. No. of Employees	Total Salaries Paid
	1977	1978	1977	1978	1977	1978	1977	1978	1977	1977	1978	1978
Weathers Bros. Moving & Storage Co., Inc.	$ 42,210	$ 14,081	$ 103,642	$ 55,373	$ 102,058	$ 43,043	98.5%	77.7%	8	$ 57,453	4	$ 17,793
Weathers Bros. Trf. Co. of N.C., Inc.	150,723	228,745	342,928	366,633	642,246	677,976	187.3	184.9	37	477,855	45	472,732
Weaver, Edward Herman	27,331	9,559	27,331	9,559	25,584	8,598	93.6	89.9	-0-	-0-	-0-	-0-
Webb, Fred, Inc.	9,051	42,241	9,051	42,241	1,841	11,236	20.3	26.6	-0-	-0-	-0-	-0-
Welch Moving & Storage, Inc.	19,388	39,829	261,775	318,373	230,912	314,046	88.2	98.6	30	56,856	12	47,025
West Transfer Co., Inc.	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
West's Durham Trf. & Storage	17,404	35,307	230,462	294,073	231,961	279,602	100.7	95.1	14	113,847	19	94,633
White Trf. & Storage Co., Inc.	-0-	256,851	418,875	256,851	406,716	253,264	97.1	98.6	9	188,333	9	85,743
Whitley, Abe, Moving & Storage, Inc.	34,861	52,402	309,602	476,387	329,572	443,280	106.5	93.1	23	135,784	25	210,011
Wicker Pick-Up & Del. Serv., Inc.	239,824	381,824	248,025	383,695	246,199	323,203	99.3	84.2	9	106,603	10	136,782
Wile Trf. & Storage Co., Inc.	34,216	29,612	157,939	174,376	127,827	143,970	80.9	82.6	4	39,902	4	44,339
Williams, J.L., Trailer Moving Co.	27,029	35,851	27,029	35,851	19,698	25,541	72.9	71.2	-0-	-0-	-0-	-0-
Williams, Melvin Douglas	X	50,167	X	50,167	X	18,220	X	36.3	X	X	-0-	-0-
Williams Mobile Home Transport	200	2,856	200	2,856	200	2,856	100.0	100.0	-0-	-0-	-0-	-0-
Williams, R.M.	47,632	49,013	47,632	49,013	35,174	36,275	73.8	74.0	2	13,467	2	13,572
Williams Trf. & Storage, Inc.	39,475	45,603	143,464	184,074	142,795	179,497	99.5	97.5	9	57,591	11	62,769
Willis Moving & Storage, Inc.	7,076	8,767	95,030	103,579	103,933	105,870	109.4	102.2	7	34,955	1	6,500
Wilmington Moving & Trf. Co.	16,000	21,000	24,000	35,000	9,000	13,800	37.5	39.4	2	5,700	2	5,200
Wilson Enterprises, Inc.	25,750	16,696	26,837	17,367	37,182	13,641	138.5	78.5	2	9,585	1	3,280
Wilson Merchants Del. Serv., Inc.	20,537	15,324	20,537	15,324	21,417	16,860	104.3	110.0	2	9,730	1	6,560
Winston Movers, Inc.	26,595	10,643	209,445	229,257	210,754	224,400	100.6	97.9	8	67,047	9	67,484
Wood Mobile Home Movers	6,242	7,150	6,242	7,150	2,891	3,091	46.3	43.2	1	1,006	1	1,500
Wooten Trf. & Storage, Inc.	47,547	35,655	109,585	125,792	115,564	135,124	105.5	107.4	7	49,755	7	52,119
Worsley Transport, Inc.	255,548	312,100	305,649	384,329	295,667	382,403	96.7	99.5	15	71,564	9	92,167
Wright Motor Lines, Inc.	44,224	58,097	287,789	292,550	254,711	272,418	88.5	93.1	12	80,320	12	99,765
Wyatt, George Junior	7,091	5,518	7,091	5,518	3,254	3,032	45.9	54.9	-0-	-0-	-0-	-0-
Young Transfer	281,915	318,958	410,488	469,359	425,457	432,943	103.6	92.2	17	169,349	17	194,953
Youngblood Truck Lines, Inc.	X	16,772	X	243,186	X	247,744	X	101.9	X	X	4	28,730
Total (436 Carriers)	$22,999,168	$25,945,531	$55,235,523	$59,840,961	$52,030,980	$56,368,938						

X — Began operations in 1978.
N/A — Not available.
N/R — Report not submitted or in dormant status.

FIGURE NO. 62

MOTOR FREIGHT CARRIERS—CLASS I AND II

Summary of Selected Data—Income, Expenses and Statistical Items
For the Calendar Years 1965, 1970, 1975-1978
(North Carolina and Systemwide) (Dollars in 000's)

CLASS I CARRIERS

	1965	1970	1975	1976	1977	1978	% Change More (Less) 1978-1977
Number of Companies Regulated				72	79	84	
Number Included in this Data	57	67	72	72	78	81	
Operating Revenues (N.C. Portion):	$ 99,998	$ 168,238	$ 294,732	$ 366,012	$ 399,722	$ 446,837	11.8
Operating Data (Systemwide):							
Operating Revenues	$398,326	$1,454,003	$2,942,836	$4,058,002	$4,818,172	$5,827,371	20.9
Operating Expenses	$361,440	$1,377,958	$2,704,982	$3,809,470	$4,450,084	$5,443,973	22.3
Net Operating Revenue	$ 36,886	$ 76,045	$ 237,854	$ 248,532	$ 368,088	$ 383,398	4.2
Operating Ratio (Percent)	90.7	94.8	91.9	93.9	92.4	93.4	1.1
Other Income or Deductions—Net, including Income Taxes	$ (11,546)	$ (42,335)	$ (132,087)	$ (127,095)	$ (172,364)	$ (169,151)	(1.9)
Net Income (After Income Taxes)	$ 25,340	$ 33,710	$ 105,767	$ 121,437	$ 195,724	$ 214,247	9.5
Statistics (N.C. Data Only): (000's except where noted)							
Total Vehicle Miles Operated	157,064	230,669	245,543	292,907	305,649	319,474	4.5
Total Gallons Gasoline Purchased or Consumed In N.C.	7,350	8,658	6,974	6,898	8,451	6,922	(18.1)
Total Gallons Diesel Fuel Purchased or Consumed in N.C.	31,190	43,882	61,982	67,991	68,610	75,918	10.7
State Income Taxes Paid	$ 321	$ 443	$ 1,027	$ 1,279	$ 1,642	$ 1,578	(3.9)
Statistics (Systemwide Data): (000's except where noted)							
Total Vehicle Miles Operated	791,781	1,445,236	1,902,778	2,508,554	2,583,281	3,043,512	17.8
Tons of Revenue Freight Hauled During Year	25,819	69,587	72,669	85,428	91,935	105,530	14.8
Average Freight Revenue Per Ton — High-Low Range	$44.38-$2.38	$165.60-$1.89	$328.27-$2.09	$276.24-$1.82	$300.65-$2.02	$300.00-$3.89	N. Apl.
Average Freight Revenue Per Ton — Mean	$ 21.80	$ 29.87	$ 48.36	$ 48.14	$ 46.87	$ 53.39	N. Apl.
Average Freight Revenue Per Ton — Median	$ 20.06	$ 26.45	$ 34.99	$ 35.83	$ 36.73	$ 39.18	N. Apl.
Average No. Vehicles Operated Daily (Actual)	11,142	22,130	51,094	59,981	57,639	68,930	19.6
CLASS II CARRIERS							
Number of Companies Regulated				102	122	123	
Number Included in this Data	92	100	102	102	122	118	
Operating Revenues (N.C. Portion):	$ 10,294	$ 26,523	$ 58,221	$ 77,035	$ 75,386	$ 70,271	(6.8)
Operating Data (Systemwide):							
Operating Revenues	$ 24,966	$ 53,895	$ 101,542	$ 132,352	$ 126,522	$ 137,354	8.6
Operating Expenses	$ 23,310	$ 50,817	$ 96,687	$ 126,120	$ 122,819	$ 132,546	7.9
Net Operating Revenue	$ 1,656	$ 3,078	$ 4,855	$ 6,232	$ 3,703	$ 4,808	29.8
Operating Ratio (Percent)	93.4	94.3	95.2	95.3	97.0	96.9	(.1)
Other Income or Deductions — Net, including Income Taxes	$ (404)	$ (1,394)	$ (1,504)	$ (1,764)	$ (8)	$ (323)	—
Net Income (After Income Taxes)	$ 1,252	$ 1,684	$ 3,351	$ 4,468	$ 3,695	$ 4,485	21.4
Statistics (N.C. Data Only): (000's except where noted)							
Total Vehicle Miles Operated	18,684	32,544	43,411	58,365	65,967	74,697	13.2
Total Gallons Gasoline Purchased or Consumed in N.C.	1,572	1,744	1,103	888	1,336	1,434	7.3
Total Gallons Diesel Fuel Purchased or Consumed in N.C.	2,067	3,560	10,365	12,400	16,093	14,656	(8.9)
State Income Taxes Paid	$ 42	$ 67	$ 139	$ 196	$ 133	$ 146	9.8
Statistics (Systemwide Data): (000's except where noted)							
Total Vehicle Miles Operated	45,479	67,705	103,514	150,140	132,980	135,952	2.2
Tons of Revenue Freight Hauled During Year	1,998	4,199	7,311	12,333	14,854	16,081	8.3
Average Freight Revenue Per Ton — High-Low Range	$199.43-$1.99	$351.85-$1.53	$252.31-$2.55	$547.56-$2.57	$791.25-$1.40	$967.20-$2.78	N. Apl.
Average Freight Revenue Per Ton — Mean	$ 33.39	$ 33.82	$ 43.40	$ 46.14	$ 49.08	$ 53.93	N. Apl.
Average Freight Revenue Per Ton — Median	$ 9.46	$ 13.41	$ 16.09	$ 14.73	$ 17.55	$ 18.00	N. Apl.
Average No. Vehicles Operated Daily (Actual)	787	1,438	1,997	2,287	2,160	2,581	19.5
GRAND TOTALS CLASS I & II							
Number of Companies Regulated	149	167	174	174	201	207	
Number Included in this Data				174	200	199	
Operating Revenues (N.C. Portion):	$110,292	$ 194,761	$ 352,953	$ 443,047	$ 475,108	$ 517,108	8.8
Operating Data (Systemwide):							
Operating Revenues	$423,292	$1,507,898	$3,044,378	$4,190,354	$4,944,694	$5,964,725	20.6
Operating Expenses	$384,750	$1,428,775	$2,801,669	$3,935,590	$4,572,403	$5,576,519	21.9
Net Operating Revenue	$ 38,542	$ 79,123	$ 242,709	$ 254,764	$ 371,791	$ 388,206	4.4
Operating Ratio (Percent)	90.9	94.8	92.0	93.9	92.5	93.5	1.1
Other Income or Deductions — Net, including Income Taxes	$ (11,950)	$ (43,729)	$ (133,591)	$ (128,859)	$ (172,372)	$ (169,474)	(1.7)
Net Income (after Income Taxes)	$ 26,592	$ 35,394	$ 109,118	$ 125,905	$ 199,419	$ 218,732	9.7
Statistics (N.C. Data Only): (000's except where noted)							
Total Vehicle Miles Operated	175,748	263,213	288,954	351,272	371,616	394,171	6.1
Total Gallons Gasoline Purchased or Consumed in N.C.	8,922	10,402	8,077	7,786	9,787	8,356	(14.6)
Total Gallons Diesel Fuel Purchased or Consumed in N.C.	33,257	47,442	72,347	80,391	84,703	90,574	6.9
State Income Taxes Paid	$ 363	$ 510	$ 1,166	$ 1,475	$ 1,775	$ 1,724	(2.9)
Statistics (Systemwide Data):							
Total Vehicle Miles Operated	837,260	1,512,941	2,006,292	2,658,694	2,716,261	3,179,464	17.1
Tons of Revenue Freight Hauled During Year	27,817	73,786	79,980	97,761	106,789	121,611	13.9
Average Freight Revenue Per Ton — High-Low Range	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.
Average Freight Revenue Per Ton — Mean	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.
Average Freight Revenue Per Ton — Median	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.
Average No. Vehicles Operated Daily (Actual)	11,929	23,568	53,091	62,268	59,799	71,511	19.6

X. The Transportation Industry - Motor Passenger Carriers

MOTOR PASSENGER CARRIERS

A. GENERAL COMMENTS

a. Regulated Privately Owned Sector

At December 31, 1978, there were 73 motor carriers of passengers operating under the regulation of the North Carolina Utilities Commission. See Figure No. 63 for a list of these companies and their scope of operations. Four (4) of these carriers are franchised by the governing authorities of the municipalities in which they operate. The Commission's jurisdiction over these four (4) carriers is limited to the approval or disapproval of fares and to the annual filing of reports of operation. The remaining sixty-nine (69) carriers are fully regulated by the Commission. However, twenty-seven (27) of these are transportation brokers and two (2) are motor boat common carriers. There is no operating data for these twenty-nine (29) carriers involved in this report. Of the remaining forty-four (44) carriers, operating and statistical data is included in this report for forty-one (41). See Figure Nos. 65 and 67.

Transportation brokers, as herein used, means any person not a bonafide employee or agent of a motor carrier, who engages in the business of selling or offering for sale any transportation of passengers by motor carrier for compensation either directly or indirectly. A transportation broker does not own or operate the vehicles used to transport passengers to whom he sells or arranges for this type of service.

b. Non-Regulated Publicly Owned Sector

The North Carolina Utilities Commission has no jurisdiction over most of the passenger transit systems serving the intracity traffic and the urban and rural areas. However, these systems are providing transportation to far greater numbers than the regulated sector including both inter and intracity. For example: for the year 1978 the passengers hauled by these systems were:

	Regulated Sector	Non-Regulated Sector*
Intercity (Excludes Charter and School Passengers)	1,768,000	
Intracity	4,723,000	
13 Urban Public Transit Systems		22,793,607
TOTAL	6,491,000	22,793,607

*Source: Public Transportation Division — North Carolina Department of Public Transportation — P.O. Box 25201, Raleigh, N.C. 27611. The 13 urban systems at December 1978 were: Asheville, Chapel Hill, Charlotte, Durham, Fayetteville, Gastonia, Greensboro, Greenville, High Point, Raleigh, Salisbury, Wilmington and Winston Salem.

The public sector currently providing the lion's show of the interstate passenger transportation in North Carolina and the trend is to an ever greater share, it becomes imperative that this sector must be included when evaluating or studying the needs or adequacy of North Carolina intrastate passenger transportation.

Since July 1, 1974, there has been a Public Transportation Division (PTD) within the Department of Transportation. The PTD administers several Federal grant programs and a State grant program as well as fostering the development of public transportation in North Carolina. For further information on this agency's activities the State Department of Transportation at Raleigh, N.C. (P.O. Box 25201) should be contacted.

B. INTERCITY MOTOR PASSENGER CARRIERS

Financial and statistical data is presented for the thirty-one (31) regulated intercity carriers having separate operations during 1978. The intercity carriers have franchises and operating rights to serve two or more points and are further classed and operate as a common carrier or contract carrier over either interstate or intrastate routes.

The following table shows the breakdown of these classifications as of December 31, 1978:

Classification	**Number of Carriers**
Class I — $1,000,000 or more annual operating revenue	5
Class II — $200,000 to $1,000,000 annual operating revenue	1
Class III — Under $200,000 annual operating revenue	25
Total	31
Type Carrier	
Common	27
Contract	4
Total	31
Scope	
Interstate	21
Intrastate	10
Total	31

C. FARE INCREASES AUTHORIZED — INTERCITY

No fare increases were authorized by the Commission during 1977 or 1978.

D. STATISTICAL SUMMARY DATA — INTERCITY

Of the thirty-one (31) intercity motor passenger carriers under the regulation of the North Carolina Utilities Commission in 1978, the five (5) Class I carriers account for 99.3% of the gross operating revenues, 99.3% of the gross operating expenses, and 98.3% of the revenue passengers hauled.

Class I carriers, for their North Carolina operations, had an increase in operating revenues of 1.5% in 1978 over 1977, while bus miles operated decreased 8.3% for the same period.

Systemwide operations for the Class I carriers had an increase of 4.6% in operating revenues and an increase of 6.4% in operating expenses, which resulted in an increase in the operating ratio in 1978 over 1977 from 95.5% to 97.1%. Figure No. 64 shows graphically the trend in Class I intercity carriers operating revenues.

The number of revenue passengers hauled by the Class I intercity carriers decreased 2.5% in 1978 over 1977. The average number of employees decreased 1.7% for the same period. See Figure No. 65.

E. INTRACITY MOTOR PASSENGER CARRIERS — COMMENTS

During 1978, there were ten (10) intercity carriers operating under the jurisdiction of the North Carolina Utilities Commission. For three (3) of these carriers, the Commission regulates only the fares charged.

The ten (10) intracity carriers are grouped as follows regarding size, type, and scope of operations:

Classification	**Number of Carriers**
Class I — $1,000,000 or more annual operating revenue	3
Class II — $200,000 to $1,000,000 annual operating revenue	1
Class III — Under $200,000 annual operating revenue	6
Total	10
Type Carrier — All Common	10
Scope — All Intrastate	10

F. FARE INCREASES AUTHORIZED — INTRACITY

The following intracity motor passenger carriers were authorized passenger fare increases in 1977:

(a) Statesville Motor Coach Co. (Docket No. B-87, Sub 10) 16%
(b) Duke Power Co. — Durham (Docket No. B-209, Sub 11) 10%
(c) Duke Power Co. — Greensboro (Docket No. B-209, Sub 12) 12%

No fare increases were authorized in 1978.

G. STATISTICAL SUMMARY DATA — INTRACITY

For statistical purposes, the ten (1) intracity carriers are grouped together as though all were fully regulated by the North Carolina Utilities Commission.

See Figure No. 66 for a comparison of operating revenues to operating expenses and the resultant operating ratios.

As shown in Figure No. 67, the intracity carriers as a group experienced an increase in operating revenues of approximately $104,000 or 4.6%, in 1978 over 1977. Operating Expenses decreased approximately $5,000 or .1%, over the same period. The net operating loss of $1,355,000 in 1978 was $109,000, or 7.4%, lower than the 1977 loss of $1,464,000. This produced an operating ratio decrease of 9.5% (156.8% in 1978, as compared with 173.2% in 1977).

Bus miles operated decreased 3.2% in 1978 as compared to 1977. There were 4,723,000 passengers hauled by the intracity motor passenger carriers in 1978, a 4.4% decrease over 1977. Of these passengers, 912,000 were school children. The total number of school children hauled decreased by 241,000 or 20.9%, in 1978 over 1977.

FIGURE NO. 63

MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA AS OF DECEMBER 31, 1978

Class I Carriers	Years of Operation		Scope of Operations				
	1977	1978	Inter-State	Intra-State	Inter-City	Intra-City	Note Legend
1. Carolina Coach Co.	X	X	X	X	X		
2. Charlotte City Coach Lines, Inc.	X	X		X		X	(A)
3. D. & M. Bus Company	X	X	X	X	X		
4. Duke Power Co. — Durham	X	X		X		X	(A)
5. Duke Power Co. — Greensboro	X	X		X		X	(A)
6. Greyhound Lines, Inc.	X	X	X	X	X		
7. Seashore Transportation Co.	X	X	X	X	X		
8. Trailways Southeastern Lines, Inc.	X	X	X	X	X		(B)
Total			5	8	5	3	

Class II Carriers							
1. Gastonia Transit Co., Inc.	X	X		X	X	X	(C)
2. Southern Coach Company	X	X	X	X	X		
Total			1	2	2	1	
Class III Carriers							
1. American Coach Lines, Inc.	X	X	X	X	X		
2. Appalachian Coach Co., Inc.	X	X	X	X	X		
3. Asheboro Coach Co.	X	X	X	X	X	X	(D)
4. Carolina Transit Lines of Charlotte, Inc.	X	X		X	X	X	(C)
5. Central Bus Lines of N.C.	X	X		X	X		
6. City Coach Company, Inc.	X	X		X	X	X	(D)
7. Conover-Newton Bus Lines, Inc.	X	X		X	X		
8. Dillahunt, John T.	X	X		X	X		
9. Emma Bus Lines, Inc.	X	X		X	X		
10. Gaston-Lincoln Transit, Inc.	X	X	X	X	X		
11. Hill, Floyd	X	X		X	X		(E)
12. Houston Transport Co., Inc.	X	X		X	X		
13. Kannapolis Transit Co., Inc.	X	X	X	X	X	X	(C)
14. Kenion, Daniel H.	X	X		X	X		
15. Macon Tours		X		X	X		
16. Nooney Bus Lines, Inc.	X	X		X	X		
17. Northcutt, Med C.	X	X		X	X		
18. Piedmont Bus Lines, Inc.	X	X	X	X	X		
19. Piedmont Coach Lines, Inc.	X	X	X	X	X		
20. Rockingham-Hamlet Bus Lines	X	X		X	X	X	(C)
21. Rouse Transportation Co.	X	X		X	X		
22. Safety Transit Co.	X	X		X		X	(A)
23. Safety Transit Lines	X	X	X	X	X		
24. Shelby Bus Lines, Inc.	X	X	X	X	X		
25. Silver Fox Lines	X	X		X	X		
26. Smoky Mt./Highland Tours, Inc.	X	X		X	X		
27. Statesville Motor Coach Co., Inc.	X	X	X	X	X	X	(C)
28. Suburban Bus Lines, Inc.	X	X		X	X	X	
29. Travelines of Carolina	X	X		X	X		
30. Twin State Coach Lines	X	X	X	X	X		
31. Virginia Dare Transportation Co., Inc.	X	X	X	X	X	X	(D)
32. Williams Bus Rental	X	X		X	X		
33. Wilson Bus Co., Inc.	X	X		X	X	X	(D)
34. Young's Transportation	X	X	X	X	X	X	(D)
Total			13	34	33	11	

Footnotes:

(A) Franchised by municipalities; fares only regulated by the N.C. Utilities Commission.
(B) Name changed from Continental Southeastern Lines, Inc.
(C) Has both intercity and intracity operations, but for statistical purposes will be treated as an intracity carrier since most operating revenue is derived from intracity operations.
(D) Has both intercity and intracity operations, but for statistical purposes will be treated as an intercity carrier since most operating revenue is derived from intercity operations.
(E) Operating rights leased to John T. Dillahunt as of 12-31-76.

FIGURE NO. 63—Continued

MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA AS OF DECEMBER 31, 1978

		Years of Operation		Scope of Operations				
		1977	1978	Inter-State	Intra-State	Inter-City	Intra-City	Note Legend
	Motor Boat Common Carriers							(F)
1.	Bailey, Josiah W., Jr.	X	X		X	X		
2.	Nelson, Ambrose D.	X	X		X	X		
	Total				2	2		
	Transportation Brokers							
1.	Albertson, Charles W.		X		X	X		
2.	Bullock Tours	X	X		X	X		
3.	Cardwell Tours	X	X		X	X		
4.	Carolina Tours, Inc.	X	X		X	X		
5.	Charlotte Visitours, Inc.	X	X		X	X		
6.	Circle Tours	X	X		X	X		
7.	Coastal Host		X		X	X		
8.	Colonial Ventures, Inc.		X		X	X		
9.	Cowan Tours, Inc.		X		X	X		
10.	Custom Travel Services, Inc.		X		X	X		
11.	Davis Tours, Inc.		X		X	X		
12.	E. & T. Tours, Inc.	X	X		X	X		
13.	Gough Tours	X	X		X	X		
14.	Green, Conley F., Sr.	X	X		X	X		
15.	Heritage Tours	X	X		X	X		
16.	Holiday Tours, Inc.	X	X		X	X		
17.	Hubbard Tours	X	X		X	X		
18.	Introducing Asheville	X	X		X	X		
19.	Kay, Hazel, Tours	X	X		X	X		
20.	Long's Travel Agency, Inc.	X	X		X	X		
21.	Moore Tours, Inc.	X	X		X	X		
22.	P. & B. Travels		X		X	X		
23.	Per-Flo Travel Agency, Inc.	X	X		X	X		
24.	Thacker, Ginger, Tours		X		X	X		
25.	Tours of the Lower Cape Fear, Inc.	X	X		X	X		
26.	Travel Tours, Inc.	X	X		X	X		
27.	Trekmaker	X	X		X	X		
	Total				27	27		
73	Grand Total—Companies regulated and listed above			19	73	69	15	

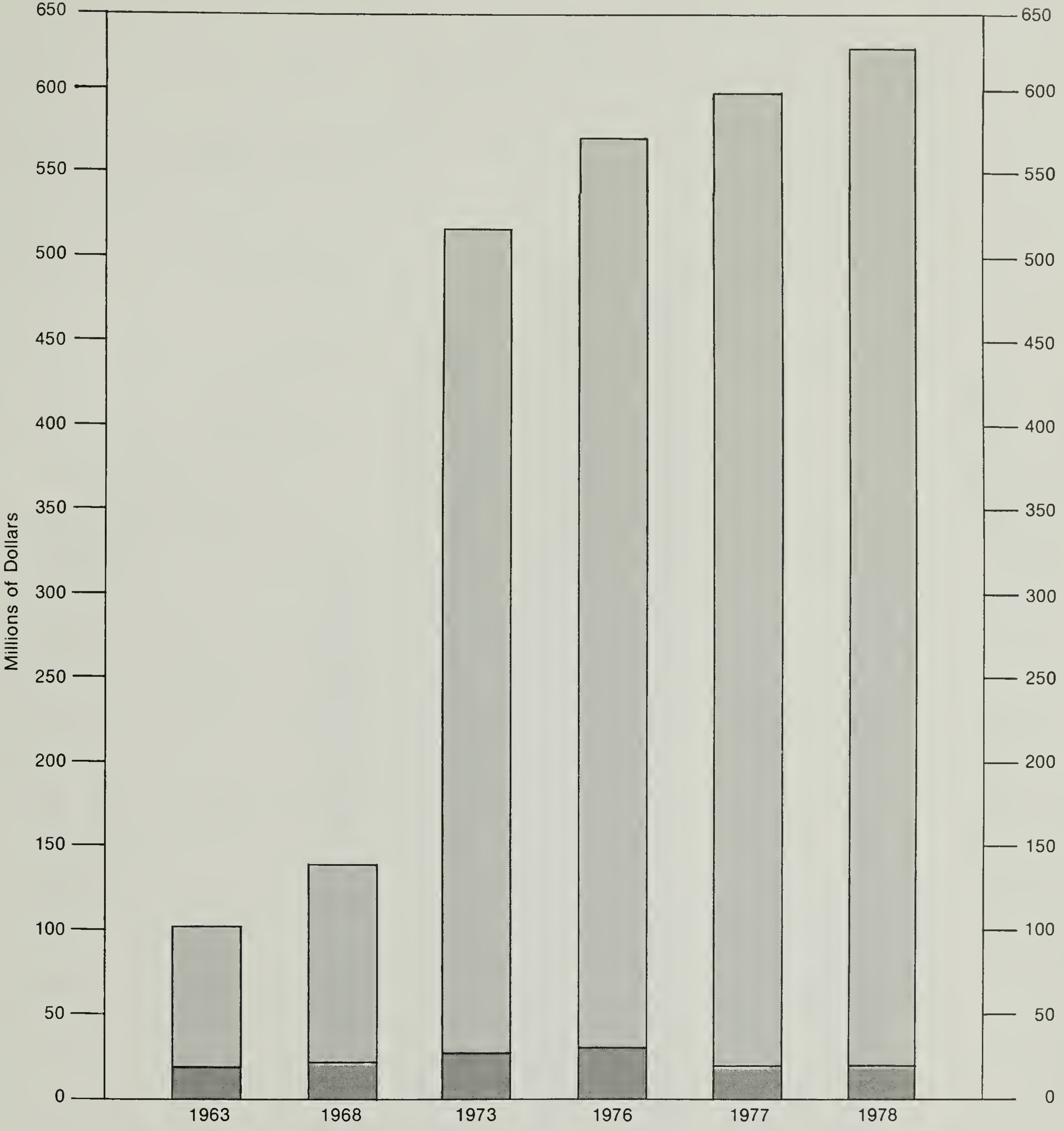
41 Total companies filing annual reports for 1978—See footnote (F)

41 Total companies included in statistical data.

(F) Does not file annual report of operations with N.C. Utilities Commission.

FIGURE NO. 64

MOTOR PASSENGER CARRIERS
CLASS I INTERCITY OPERATING REVENUES
(N.C. & Systemwide Data)
1963, 1968, 1973, 1976-1978



Percent Increase (Decrease)

	N.C.	Systemwide
	■	□
1968 over 1963	26.0 %	30.3%
1973 over 1968	14.7 %	282.1%
1976 over 1973	27.5 %	12.3%
1977 over 1976	(27.1)%	4.8%
1978 over 1977	1.5 %	4.6%

	N.C. % of System
	■
1963	14.8%
1968	14.3%
1973	4.3%
1976	4.9%
1977	3.4%
1978	3.3%

* 1973 data reflects Greyhound Lines, Inc.; 1963-1968 data includes Southern Greyhound Lines only. This inclusion of the total Greyhound system accounts for the abnormally high increase in the 1973 data compared to the 1968.

FIGURE NO. 65

MOTOR PASSENGER CARRIERS—INTERCITY—CLASSES I, II AND III
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1968, 1973, 1976-1978
(North Carolina and Systemwide Data Noted)

(Figures in 000's Except Where Noted)

	Class I Data $1,000,000 or more Operating Revenues					% Change More (Less)	Class II Data $200,000 to $1,000,000 Operating Revenues					% Change More (Less)
	1968	1973[a]	1976	1977	1978	1978 over 1977	1968	1973	1976	1977	1978	1978 over 1977
No. of Companies Included in this Data.												
Interstate Operators	5	5	5	5	5		1	1	1	1	1	
Intrastate Operators	-0-	-0-	-0-	-0-	-0-		-0-	-0-	-0-	-0-	-0-	
Operating Revenues (N.C. Portion):	$ 19,200	$ 22,018	$ 28,080	$ 20,477	$ 20,781	1.5	$ 483	$ 270	$ 264	$ 339	$ 337	(.6)
Income Items (Systemwide):												
Operating Revenues	$134,403	$513,620	$576,608	$604,513	$632,418	4 6	$ 483	$ 275	$ 459	$ 537	$ 606	12.8
Operating Expenses	$111,100	$460,342	$552,678	$577,116	$614,139	6 4	$ 227	$ 270	$ 462	$ 524	$ 574	9.5
Net Operating Revenues	$ 23,303	$ 53,278	$ 23,930	$ 27,397	$ 18,279	(33.3)	$ 256	$ 5	$ (3)	$ 13	$ 31	138.5
Operating Ratio (Percent)	82 7	89 6	95.8	95.5	97.1	1.7	47.0	98.1	100.5	97.6	94.7	(3 0)
Other Income or (Deductions) -- Net	$ (10,174)[b]	$ 6,037	$ 8,598	$ 7,713	$ 8,379	8 6	$(171)	$ (2)	$ 5	$ 16	$ -0-	—
Income Taxes	$	$ 21,732	$ 7,781	$ 8,906	$ 6,324	(29.0)	$	$ (1)	$ -0-	$ -0-	$ 1	100.0
Net Income after Income Taxes	$ 13,129	$ 37,583	$ 24,747	$ 26,204	$ 20,334	(22.4)	$ 85	$ 4	$ 2	$ 29	$ 30	3.4
Statistics (N.C. Only)												
Total bus miles operated	30,546	26,573	23,832	22,953	21,038	(8.3)	409	248	258	314	306	(2.5)
Length of bus route — miles — one way (actual)	7,666	8,442	8,091	8,091	8,110	.2	272	272	272	272	272	—
Total gallons gasoline purchased or used	169	41	18	14	10	(28.6)	40	9	14	18	20	11.1
Total gallons diesel fuel purchased or used	6,676	4,470	4,039	3,889	3,425	(11.9)	6	48	56	64	65	1.6
No. of tickets sold which originated in N C. (Excludes charter and school passengers)	3,560	3,025	2,223	2,078	1,591	(23.4)	16	7	19	13	-0-	—
Revenue for tickets originating in N C (Excludes charter and school passengers)	$ 13,524	$ 13,173	$ 14,613	$ 13,996	$ 14,002	-0-	$ 70	$ 66	$ 30	$ 25	$ 1	(96.0)
Average revenue per ticket originating in N.C. (Excludes charter and school passengers)	$ 3.80	$ 4.36	$ 6.57	$ 6.73	$ 8.83	31.2	N/A	N/A	N/A	N/A	N/A	—
Other revenue originating in N C. by charter and express	$ 4,591	$ 4,765	$ 6,390	$ 6,446	$ 6,779	5.2	$ 409	$ 206	$ 429	$ 511	$ 211	(58.7)
Statistics (Systemwide):												
No. revenue passengers carried	36,792	82,020	64,177	62,980	61,410	(2.5)	139	53	75	83	71	(14.5)
Avg fare per passenger carried (actual)	$ 2.97	$ 5 26	$ 7.37	$ 7.91	$ 8 49	7.3	N/A	N/A	N/A	N/A	N/A	—
Avg No. of buses owned (actual)	1,966	5,083	4,827	4,607	4,542	(1 4)	22	11	15	16	17	6.3
Avg No. of buses operated (actual) (c)	1,987	5,017	4,827	4,607	4,542	(1 4)	20	11	14	16	5	(68.8)
Avg. No. of employees (actual)	6,790	19,756	16,797	17,661	17,355	(1.7)	23	19	16	16	16	—

	Class III Data Under $200,000 Operating Revenues					% Change More (Less)	Grand Totals Class I, II & III					% Change More (Less)
	1968	1973	1976	1977	1978	1978 over 1977	1968	1973	1976	1977	1978	1978 over 1977
No. of Companies Included in this Data:												
Interstate Operators	14	14	14	12	15		20	20	20	18	21	
Intrastate Operators	13	15	12	10	10		13	15	12	10	10	
Operating Revenues (N C. Portion):	$1,204	$1,521	$2,020	$2,270	$2,847	25.4	$ 20,887	$ 23,809	$ 30,364	$ 23,086	$ 23,965	3.8
Income Items (Systemwide):												
Operating Revenues	$1,347	$1,840	$2,619	$3,309	$4,098	23.8	$136,233	$515,735	$579,686	$608,359	$637,122	4.7
Operating Expenses	$1,304	$1,787	$2,429	$3,143	$3,951	25.7	$112,631	$462,399	$555,569	$580,783	$618,664	6.5
Net Operating Revenues	$ 43	$ 53	$ 190	$ 166	$ 148	(10.8)	$ 23,602	$ 53,336	$ 24,117	$ 27,576	$ 18,458	(33.1)
Operating Ratio (Percent)	97 6	97.1	93.5	95.0	96.4	1.5	82.7	89.7	95 8	95.5	97.1	1.7
Other Income or (Deductions) — Net	$ 22	$ 11	$ 75	$ (74)	$ (59)	(20.3)	$ (10,323)[b]	$ 6,046	$ 8,678	$ 7,655	$ 8,320	8.7
Income Taxes	$	$ 12	$ 26	$ 19	$ 6	(68.4)	$	$ 21,743	$ 7,807	$ 8,925	$ 6,331	(29.1)
Net Income after Income Taxes	$ 65	$ 52	$ 239	$ 73	$ 83	13.7	$ 13,279	$ 37,639	$ 24,988	$ 26,306	$ 20,447	(22.3)
Statistics (N.C. Only):												
Total bus miles operated		2,636	2,497	2,593	2,451	(5.5)	30,955	29,457	26,587	25,860	23,795	(8.0)
Length of bus route — miles — one way (actual)		1,352	1,357	1,079	1,207	11.9	7,938	10,066	9,720	9,442	9,589	1 6
Total gallons gasoline purchased or used		201	144	134	92	(31.3)	209	251	176	166	122	(26.5)
Total gallons diesel fuel purchased or used		271	254	299	376	25.8	6,682	4,789	4,349	4,252	3,866	(9.1)
No. of tickets sold which originated in N C (Excludes charter and school passengers)		725	296	219	177	(19.2)	3,576	3,757	2,538	2,310	1,768	(23.5)
Revenue for tickets originating in N C. (Excludes charter and school passengers)		$ 717	$ 314	$ 314	$ 234	(25.5)	$ 13,594	$ 13,956	$ 14,957	$ 14,335	$ 14,237	(.7)
Average revenue per ticket originating in N C (Excludes charter & school passengers)		N/A	N/A	N/A	N/A	—	N/A	N/A	N/A	N/A	N/A	—
Other revenue originating in N.C. by charter & express		$ 591	$1,625	$1,932	$2,507	29.8	$ 5,000	$ 5,562	$ 8,444	$ 8,889	$ 9,497	6.8
Statistics (Systemwide):												
No. revenue passengers carried		2,176	1,740	948	1,004	5.9	36,931	84,249	65,992	64,011	62,485	(2.4)
Avg. fare per passenger carried (actual)		N/A	N/A	N/A	N/A	—	N/A	N/A	N/A	N/A	N/A	—
Avg No of buses owned (actual)		137	130	144	164	13.9	1,988	5,231	4,972	4,767	4,723	(.9)
Avg. No of buses operated actual) (c)		66	64	77	67	(13.0)	2,007	5,094	4,905	4,700	4,614	(1.8)
Avg. No. of employees (actual)		144	179	156	187	19 9	6,813	19,919	16,992	17,833	17,558	(1.5)

a 1973 data reflects Greyhound Lines, Inc., 1968 data includes Southern Greyhound Lines only This inclusion of the total Greyhound system accounts for the abnormally high increase in 1973 data compared to 1968.

b 1968 income taxes were included in this figure

c May include units leased and standby buses.

Na Not available

FIGURE NO. 66

MOTOR PASSENGER CARRIERS—INTRACITY—CLASSES I, II, AND III

Total Operating Revenues, Expenses, and Ratios
For the Years 1963, 1968, 1973, 1976-1978

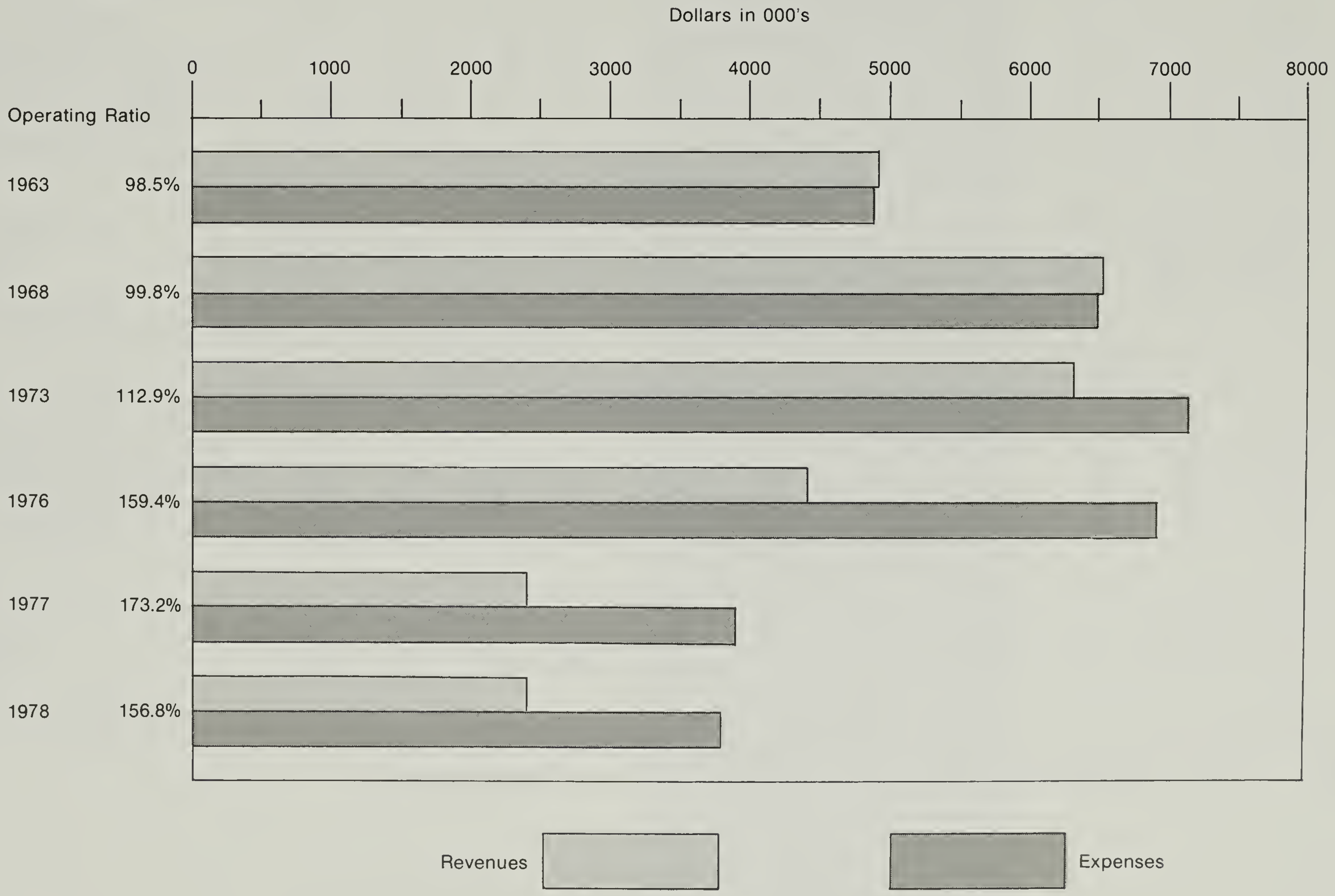


FIGURE NO. 67

MOTOR PASSENGER CARRIERS—INTRACITY—CLASSES I, II AND III

Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1968, 1973, 1976-1978
(All Intracity Carriers are Intrastate Operators Only)
(000's except where shown)

Class I Data
$1,000,000 or more Operating Revenues

	1968	1973	1976	1977	1978	% Change More (Less) 1978 over 1977
Intracity Carriers—Regulated to Fares only	3	3	2	2	2	
Carriers Fully Regulated in this Data[a]	-0-	-0-	1	1	1	
Operating Revenues	$ 3,433	$ 3,642	$ 3,447	$ 1,318	$ 1,412	7.1
Operating Expenses	$ 3,497	$ 4,424	$ 6,058	$ 2,811	$ 2,791	(1.0)
Net Operating Revenues	$ (64)	$ (782)	$ (2,611)	$(1,493)	$(1,379)	(7.6)
Operating Ratio (Percent)	101.9	121.5	175.8	213.3	197.7	(7.3)
Other Income or (Deductions) — Net	$ (10)	$ 3	$ 642	$ -0-	$ -0-	—
Income Taxes — Net	$	$ 2	$ 9	$ (11)	$ (9)	(18.2)
Net Income after Income Taxes	$ (74)	$ (781)	$ (1,978)	$(1,482)	$(1,388)	(6.3)
Statistics (Actual):						
Length of bus route — miles — one-way	313	324	311	151	151	—
Total number of buses owned	187	221	13	14	13	(7.1)
Average number of buses operated daily	173	172	144	43	50	16.3
Total bus miles operated during year (000's)	5,476	5,359	4,914	1,998	1,964	(1.7)
Total passengers hauled during year (000's)	20,955	14,531	10,576	3,210	3,169	(1.3)
Total school passengers hauled during year (000's)	2,764	716	706	347	118	(66.0)
Average passenger fare — w/a — cents	.16	.23	.37	.40	.34	(15.0)
School passenger fare range — high/low — cents	10-9	13-8	15-15	21-15	22-18	—
Average number of bus drivers	242	236	249	101	94	(6.9)
Average number of full-time N.C. employees	354	338	372	173	169	(2.3)
Total N.C. salaries and wages (000's)	$ 1,970	$ 2,704	$ 3,558	$ 1,664	$ 1,696	1.9

Class II Data
$200,000 to $1,000,000 Operating Revenues

	1968	1973	1976	1977	1978	% Change More (Less) 1978 over 1977
Intracity Carriers—Regulated to Fares only	2	1	-0-	-0-	-0-	
Carriers Fully Regulated in this Data[a]	3	3	1	1	1	
Operating Revenues	$1,962	$1,761	$ 151	$ 157	$ 121	(22.9)
Operating Expenses	$1,974	$1,812	$ 147	$ 179	$ 111	(38.0)
Net Operating Revenues	$ (12)	$ (51)	$ 4	$ (22)	$ 10	145.5
Operating Ratio (Percent)	101.0	102.9	97.0	114.1	91.7	(19.6)
Other Income or (Deductions) — Net	$ 9	$ -0-	$ (9)	$ (15)	$ 7	146.7
Income Taxes — Net	$	$ 2	$ -0-	$ -0-	$ -0-	—
Net Income after Income Taxes	$ (21)	$ (53)	$ (5)	$ (37)	$ 17	145.9
Statistics (Actual):						
Length of bus route — miles — one-way	353	276	7	6	5	(16.7)
Total number of buses owned	159	125	16	15	9	(40.0)
Average number of buses operated daily	132	106	12	12	9	(25.0)
Total bus miles operated during year (000's)	4,413	3,156	194	201	89	(55.7)
Total passengers hauled during year (000's)	8,299	4,958	532	490	267	(45.5)
Total school passengers hauled during year (000's)	1,238	394	310	290	230	(20.7)
Average passenger fare — w/a — cents	.24	.32	.35	.35	.35	—
School passenger fare range — high/low — cents	12-10	15-13	30-30	30-30	30-30	—
Average number of bus drivers	219	132	15	15	8	(46.7)
Average number of full-time N.C. employees	306	188	22	22	15	(31.8)
Total N.C. salaries and wages (000's)	$ 987	$1,078	$ 71	$ 80	$ 53	(33.8)

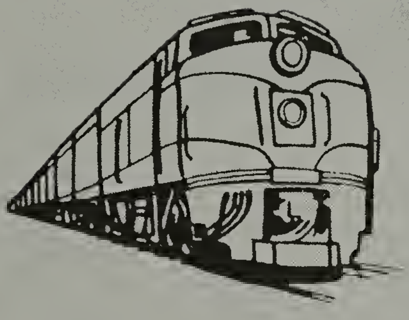
Class III Data
Under $200,000 Operating Revenues

	1968	1973	1976	1977	1978	% Change More (Less) 1978 over 1977
Intracity Carriers — Regulated to Fares only	4	4	1	1	1	
Carriers Fully Regulated in this Data	5	5	4	4	5	
Operating Revenues	$ 1,129	$ 925	$ 723	$ 806	$ 852	5.7
Operating Expenses	$ 1,038	$ 909	$ 682	$ 755	$ 838	11.0
Net Operating Revenues	$ 91	$ 16	$ 41	$ 51	$ 14	(72.5)
Operating Ratio (Percent)	91.7	98.2	94.4	93.5	98.4	5.2
Other Income or (Deductions) — Net	$ (8)	$ 12	$ 19	$ (5)	$ (19)	280.0
Income Taxes — Net	$	$ 4	$ 6	$ 4	$ 5	25.0
Net Income after Income Taxes	$ 83	$ 24	$ 54	$ 42	$ (10)	(123.8)
Statistics (Actual):						
Length of bus route — miles — one-way	426	291	457	469	467	(.4)
Total number of buses owned	112	90	76	76	70	(7.9)
Average number of buses operated daily	69	56	39	42	44	4.8
Total bus miles operated during year (000's)	2,469	1,824	1,076	1,106	1,148	3.8
Total passengers hauled during year (000's)	4,734	3,450	1,211	1,238	1,287	4.0
Total school passengers hauled during year (000's)	818	629	486	516	565	9.5
Average passenger fare — w/a — cents	.21	.24	.42	.79	.82	3.8
School passenger fare range — high/low — cents	15-10	20-15	30-30	30-30	30-30	—
Average number of bus drivers	70	72	46	46	51	10.9
Average number of full-time N.C. employees	113	99	63	63	68	7.9
Total N.C. salaries and wages (000's)	$ 501	$ 364	$ 303	$ 323	$ 355	9.9

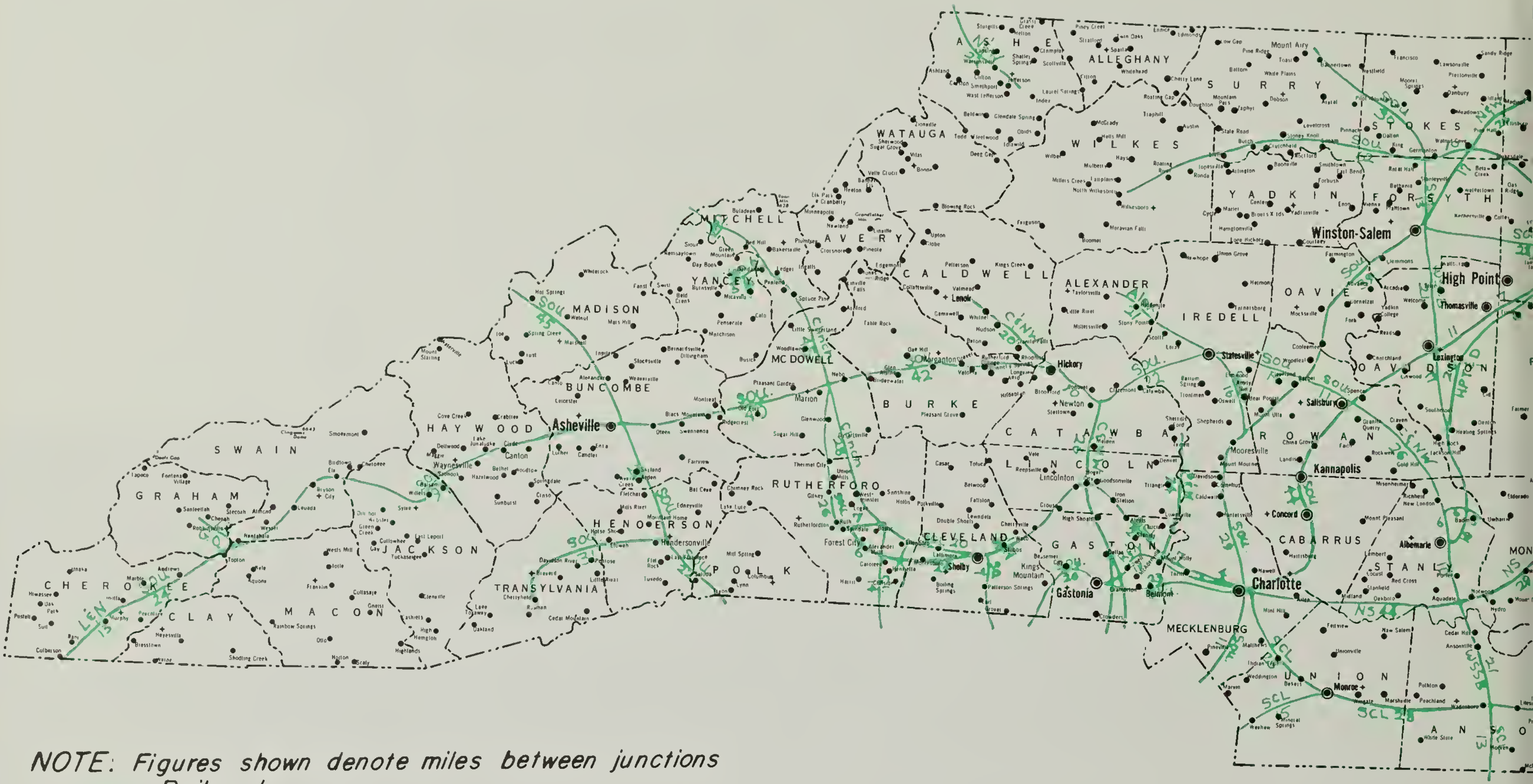
Grand Totals
Class I, II and III

	1968	1973	1976	1977	1978	% Change More (Less) 1978 over 1977
Intracity Carriers — Regulated to Fares only	9	8	3	3	3	
Carriers Fully Regulated in this Data	8	8	6	7	7	
Operating Revenues	$6,524	$6,328	$4,322	$2,281	$2,385	4.6
Operating Expenses	$6,509	$7,145	$6,888	$3,745	$3,740	(.1)
Net Operating Revenues	$ 15	$ (817)	$(2,566)	$(1,464)	$(1,355)	(7.4)
Operating Ratio (Percent)	99.9	112.9	159.4	173.2	156.8	(9.5)
Other Income or (Deductions) — Net	$ (27)	$ 15	$ 652	$ (20)	$ (12)	(40.0)
Income Taxes — Net	$	$ 8	$ 14	$ (7)	$ 14	300.0
Net Income after Income Taxes	$ (12)	$ (810)	$(1,928)	$(1,477)	$(1,381)	(6.5)
Statistics (Actual):						
Length of bus route — miles — one-way	1,092	891	775	626	623	(.5)
Total number of buses owned	458	436	105	105	92	(12.4)
Average number of buses operated daily	374	334	195	97	103	6.2
Total bus miles operated during year (000's)	12,358	10,339	6,184	3,306	3,201	(3.2)
Total passengers hauled during year (000's)	33,988	22,940	12,319	4,938	4,723	(4.4)
Total school passengers hauled during year (000's)	4,820	1,740	1,502	1,153	912	(20.9)
Average passenger fare — w/a — cents	.19	.25	.40	.63	.64	1.6
School passenger fare range — high/low — cents	15-9	20-8	30-15	30-30	30-30	—
Average number of bus drivers	531	440	310	162	153	(5.6)
Average number of full-time N.C. employees	773	625	457	258	252	(2.3)
Total N.C. salaries and wages (000's)	$3,458	$4,146	$3,931	$2,066	$2,104	1.8

a For purposes of this study, companies operating predominantly within a municipality are considered intracity carriers although they hold a certificate from the Utilities Commission.
b Included in total passengers hauled during year.
c For the years 1963-1968 income taxes were included in these figures.
Na Not available.
w/a Weighted average.



XI. The Transportation Industry — Railroads



NOTE: Figures shown denote miles between junctions

- *Railroads*

○ *County Seats*

● *Other Towns or Junctions*

FIGURE NO. 68

MAP OF

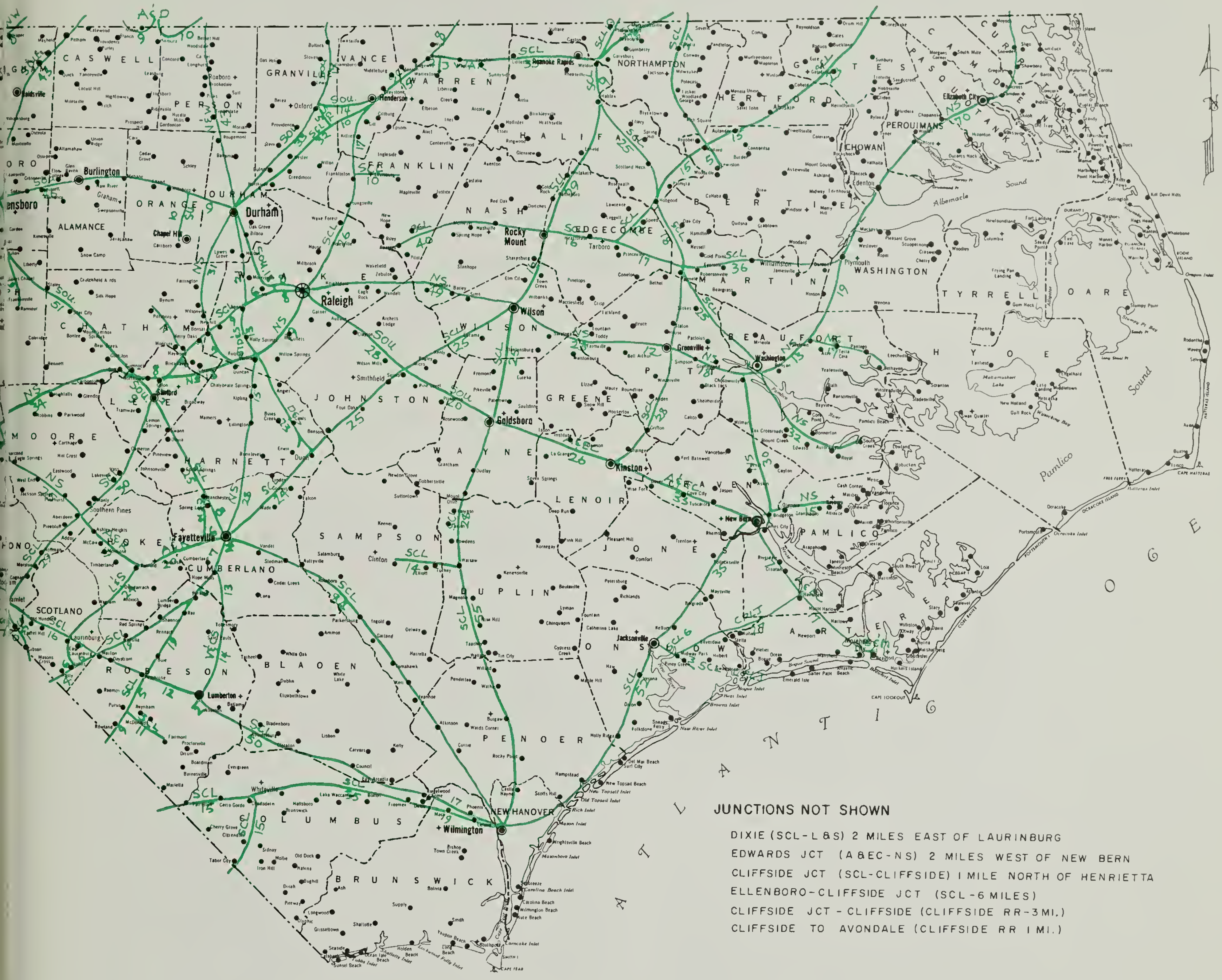
NORTH CAROLINA RAILROADS

PREPARED BY

NORTH CAROLINA UTILITIES COMMISSION

RALEIGH, N.C.

1978



JUNCTIONS NOT SHOWN

DIXIE (SCL-L&S) 2 MILES EAST OF LAURINBURG
EDWARDS JCT (A&EC-NS) 2 MILES WEST OF NEW BERN
CLIFFSIDE JCT (SCL-CLIFFSIDE) I MILE NORTH OF HENRIETTA
ELLENBORO-CLIFFSIDE JCT (SCL-6 MILES)
CLIFFSIDE JCT - CLIFFSIDE (CLIFFSIDE RR-3 MI.)
CLIFFSIDE TO AVONDALE (CLIFFSIDE RR I MI.)

FIGURE NO. 69

RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1977 & 1978

					Mileage Operated				1978
			Class*		North Carolina		System		% in
Name	Main Business Office	Abbreviation	1977	1978	1977	1978	1977	1978	N.C.
1. Aberdeen and Rockfish Railroad Co.	Aberdeen, N.C.	A&R	II	III	47	47	47	47	100.0%
2. Alexander Railroad Co.	Taylorsville, N.C.	ARC	II	III	19	19	19	19	100.0
3. Atlantic and East Carolina Railway Co.	Washington, D.C.	A&EC	II	III	95	95	95	95	100.0
4. Atlantic and Western Corp.	Sanford, N.C.	ATW	II	III	3	3	3	3	100.0
5. Beaufort and Morehead Railroad (A.T. Leary, Lessee)	Beaufort, N.C.	B&MH	II	III	4	4	4	4	100.0
6. Camp Lejeune Railroad Co.	Washington, D.C.	CLRR	II	III	30	30	30	30	100.0
7. Cape Fear Railways, Inc.	Fort Bragg, N.C.	CFR	II	III	10	10	10	10	100.0
8. Cliffside Railroad Co.	Cliffside, N.C.	Cliff	II	III	4	4	4	4	100.0
9. Clinchfield Railroad Co.	Jacksonville, Fla.	CRR	I	I	117	117	296	296	39.5
10. Durham and Southern Railway Co.	Durham, N.C.	D&S	II	III	59	59	59	59	100.0
11. Graham County Railroad Co.	Robbinsville, N.C.	G.C.	II	III	12	12	12	12	100.0
12. High Point, Thomasville & Denton Railroad Co.	Jacksonville, Fla.	HPT	II	III	34	34	34	34	100.0
13. Laurinburg and Southern Railroad Co.	Laurinburg, N.C.	LSR	II	III	28	28	28	28	100.0
14. Louisville and Nashville Railroad Co.	Louisville, Ky.	L&N	I	I	13	13	6,586	6,617	.2
15. Norfolk and Western Railway Co.	Roanoke, Va.	N&W	I	I	94	94	7,554	7,481	1.3
16. Norfolk, Franklin and Danville Railway Co.	Suffolk, Va.	NFD	II	III	22	22	205	202	10.9
17. Norfolk Southern Railway Co.	Washington, D.C.	NS	I	II	729	714	879	864	82.6
18. Seaboard Coast Line Railroad Co.	Jacksonville, Fla.	SCL	I	I	1,571	1,571	8,960	8,906	17.6
19. Southern Railway Co.	Washington, D.C.	Sou	I	I	1,162	1,162	5,851	5,851	19.9
20. State University Railroad Co.	Washington, D.C.	S.T.U.	II	III	10	10	10	10	100.0
21. Warrenton Rail Road Co.	Warrenton, N.C.	W.R.R.	II	III	3	3	3	3	100.0
22. Winston-Salem Southbound Railway Co.	Jacksonville, Fla.	WSS	II	III	98	87	98	87	100.0
23. Yancey Railroad Co., Inc.	Burnsville, N.C.	Yancey	II	III	12	12	12	12	100.0
		TOTALS			4,176	4,150	30,799	30,674	13.5%

*New Interstate Commerce Commission classification adopted by N.C. Utilities Commission effective January 1, 1978:

Class I — Railroads having annual revenues of $50,000,000 or more.
Class II — Railroads having annual revenues of $10,000,000-$50,000,000.
Class III — Railroads having annual revenues of less than $10,000,000.

THE TRANSPORTATION INDUSTRY — RAILROADS

A. GENERAL COMMENTS

Twenty-three (23) railroads operated 4,150 miles of trackage in North Carolina as of December 31, 1978. All of these railroads were operated under the jurisdiction of the North Carolina Utilities Commission (see Figure No. 69).

Prior to December 31, 1977, the 23 railroads were classified as follows:

Class I —$10,000,000 or more annual revenue	6
Class II—Less than $10,000,000 annual revenue	17

However, effective January 1978, the ICC and the North Carolina Utilities Commission reclassified the railroads as follows:

Class I —$50,000,000 or more annual revenue	5
Class II —$10,000,000 to $50,000,000 annual revenue	1
Class III—Less than $10,000,000 annual revenue	17

B. PASSENGER SERVICE THROUGH NORTH CAROLINA

The decreasing trend in passenger service is typical of the national pattern. At the present time, there are two distinct divisions in passenger train service being offered to the people of North Carolina; that provided by AMTRAK, and that provided by Southern Railway Company.

On October 14, 1970, Congress passed the Rail Passenger Service Act, Public Law 91-518, creating the National Railroad Passenger Corporation. The corporation became known as Railpax, and the official name adopted was AMTRAK. AMTRAK is not a federal agency, but a "for profit" corporation established under the District of Columbia Business Corporation Act; however, certain of its funding is through or guaranteed by the Federal Government.

The Secretary of Transportation was required to submit the final basic rail passenger train network, and three of the basic routes were through North Carolina; two from New York to Florida via Seaboard Coast Line Railway Company, and one from New York to New Orleans over the rails of Southern Railway Company.

Under the requirements of AMTRAK, all railroads in the country offering passenger service had to either contract with AMTRAK to be relieved of further responsibility of providing rail passenger service or continue to provide such service at the same level as was then being provided. There was no alternative. If a railroad joined AMTRAK, then AMTRAK would provide service over the basic network until at least July 1, 1973, or a period slightly in excess of two years. If a railroad chose not to join AMTRAK, then that railroad had to continue to provide the same level of passenger service as it was then providing until January 1, 1975.

Of the two railroads providing passenger service in North Carolina at the time of the inception of AMTRAK, Southern Railway Company chose not to join but continued to operate four (4) passenger trains in and/or through North Carolina until June 1, 1975.

Since June 1, 1975, Nos. 1 and 2, the Southern Crescent, continued to operate between Washington, D.C. and Birmingham, Alabama, with regular stops at Reidsville, Greensboro, Salisbury, Concord, Charlotte, and Gastonia, North Carolina. Nos. 5 and 6, the Piedmont, which originally operated between Washington, D.C., and Atlanta, Georgia, with regular stops at Greensboro, Salisbury, and Charlotte, North Carolina curtailed its service in June, 1975 by the elimination of the service beyond Charlotte, North Carolina.

Effective December 15, 1976, the remaining passenger service by the Piedmont, Nos. 5 and 6, between Washington, D.C., and Charlotte, North Carolina was also discontinued, leaving the Southern Crescent, Nos. 1 and 2, as the only remaining passenger train between Washington, D.C., and Atlanta, Georgia operated by Southern Railway Company. However, on April 6, 1978, Southern Railway Company filed an application with ICC to discontinue operation of this train, the last of its passenger trains operating in North Carolina. On or about February 1979, AMTRAK took over and began operation of the Southern Crescent, Nos. 1 and 2, which was the last independent rail service in North Carolina provided on regular schedules.

Seaboard Coast Line Railroad Company (SCL), the other railroad offering passenger service in North Carolina at AMTRAK's inception, decided not to continue passenger service on its own and joined AMTRAK. As a result, AMTRAK is now operating, by contract, passenger trains over the rails of SCL: Nos. 81 and 82, the Silver Star, between New York and Miami, Florida, with stops at Raleigh and Hamlet, North Carolina; Nos. 83 and 84, the Silver Meteor, between Boston, Massachusetts, and Miami, Florida, serving Rocky Mount, North Carolina, as a conditional stop; and Nos. 85 and 86, the Champion, operating between Boston, Massachusetts, and St. Petersburg, Florida, with stops at Rocky Mount, Wilson, and Fayetteville, North Carolina.

C. RAIL SAFETY ACTIVITY BY COMMISSION

During 1977 and 1978, as in previous years, the Utilities Commission was very active in the investigation and surveillance of the condition of rail trackage and other rail equipment and facilities in an effort to minimize the frequency and severity of rail accidents caused by inadequate maintenance and/or malfunctioning equipment.

During the period 1973 to 1978, the Commission enlarged the scope of its rail safety program by the addition of two Rail Safety Engineers whose spheres of responsibility include the inspection of all rail trackage and rail equipment in North Carolina.

The duties of these two engineers encompassed on-site inspections of track conditions, equipment and investigations of train accidents. A written report is filed concerning each inspection and any defect found is required to be corrected. In addition to on-site inspections, these engineers also conduct inspection of company records to insure compliance with the rail safety regulations.

D. MOBILE AGENCY CONCEPT AND STATION CLOSINGS IN NORTH CAROLINA

A major innovation in rail freight transportation has been the implementation, upon Commission approval after investigation and hearing, of a mobile agency concept in North Carolina. This concept has replaced the fixed agent serving one town on a 5-day, 40-hour week or less basis with a mobile agent operating a special radio-equipped van serving by highway several small towns in a given area on a variable route 6 days per week and calling on railroad customers in their respective places of business, rather than the customer having to go to the railroad station as in the past.

The area served by the mobile agent is also served by a special telephone system connected to a central or base agency station manned 13 hours per day, 6 days per week, which in turn is connected by a Telex system to a car information computer center. Any customers in the area, by dialing a special number, can talk directly to the personnel in the base agency toll-free and conduct such business with the railroad as is necessary. In addition, the base agent, by using the Telex system, can relay almost immediately any car information a customer requests. The base agent, the mobile agent, and the train crews in the vicinity are in constant communication with each other by radio so that customers can be served efficiently.

This concept, with some variations, is in effect in many places throughout the State. The following mobile agency concepts were approved by the Commission in 1977 and 1978:

MOBILE AGENCY CONCEPTS APPROVED

Docket No.	Date of Order	Location of Mobile Agency	Change in Service	N.C. Towns or Communities Served By Mobile Agency
SEABOARD COAST LINE RAILROAD COMPANY				
R-71, Sub 71	10- 4-78	Hamlet, N.C.	Mobile Agency Concept	Wadesboro, Marshville, Rockingham, Lilesville, Polkton, Marven, Gravelton, Pee Dee
R-71, Sub 72	11- 2-77*	Fayetteville, N.C.	Mobile Agency Concept	Erwin, Fuquay-Varina, Turlington, Holly Springs, Wilbon, Holland, Kinnebec, Angier, Barclaysville
SOUTHERN RAILWAY COMPANY				
R-29, Sub 293	7-27-78*	High Point, N.C.	Mobile Agency Concept	Jamestown

*Indicates date of initial order approving six (6) months' trial period. If no protest in 6 months, a final order will be issued; to date, none of the initial orders have been rescinded.

The railroads in 1977 and 1978 continued their activity in consolidating their freight handling operations by requesting permission from the Utilities Commission to discontinue freight handling facilities at several locations. The requests by the companies to close or discontinue service at most of the locations are based on economic factors, with the volume of freight handled at the particular location being the main reason given.

Following are the companies, locations, and facilities affected by Commission action after hearings or notice of hearing to the general public located in the respective areas:

RETIREMENT AND ABANDONMENT OF STATIONS AND FACILITIES

Docket No.	Date of Order	Location of Facility (North Carolina)	Disposition of Facility
		CLINCHFIELD RAILROAD COMPANY	
R-18, Sub 19	2-22-78	Green Mountain & Kona, N.C.	Agency Stations Dualized
		DURHAM & SOUTHERN RAILWAY COMPANY	
R-20, Sub 9	10-31-78	Genlee, N.C.	Station Status Changed from Non-Agency to Private Siding Station
		HIGH POINT, THOMASVILLE & DENTON RAILROAD COMPANY	
R-24, Sub 2	12- 8-77	High Point, N.C.	Industrial Spur Track Abandoned and removed Agency Station abandoned and merged with High Point Station.
		NORFOLK SOUTHERN RAILWAY COMPANY	
R-4, Sub 97	6-30-77	Eden, N.C.	Remove from Open and Prepay Tariff—Eden—Spray and Eden—Leaksville; Retire and Remove Stations Build New Station at Eden, N.C. and Rename
R-4, Sub 98	7-12-77	Hertford, N.C.	Side Track Retired and Removed
R-4, Sub 99	7-27-77	Raleigh, N.C.	Side Track Retired and Removed
R-4, Sub 100	10- 4-77	Cumnock, N.C.	Remove from Open and Prepay Tariff
R-4, Sub 101	10- 4-77	Knightdale, N.C.	Old Depot Building Retired and Dismantled
R-4, Sub 103	7- 6-78	Eagle Rock, N.C.	Remove from Open and Prepay Tariff—Side Track Retired and Removed
R-4, Sub 105	7- 6-78	Carbonton, N.C.	Side Track Retired and Removed
		SEABOARD COAST LINE RAILROAD COMPANY	
R-71, Sub 62	2-11-77	Armstrong, N.C.	Remove from Open and Prepay Tariff
R-71, Sub 64	2-22-77	Red Springs, N.C.	Terminal Track Abandoned and Removed
R-71, Sub 65	3-17-77	Spencer Mountain, N.C.	Remove from Open and Prepay Tariff—Abandon 1,940 feet Terminal Track
R-71, Sub 66	5-15-77	Pactolus, N.C.	Team Track Retired and Removed—Stations Status Changed from Non-Agency to Private Siding Stations
R-71, Sub 67	7-12-77	Kellum, N.C.	Team Track Retired and Removed—Station Status Changed to Private Siding Station
R-71, Sub 68	6- 6-77	Cofield, N.C.	Agency Station Discontinued—Station Building Sold
R-71, Sub 69	7-27-77	Wise, N.C.	Remove from Open and Prepay Tariff—Team Track Retired and Removed
R-71, Sub 70	9-16-77	Thelma, N.C.	Remove from Open and Prepay Tariff—Team Track Retired and Removed
R-71, Sub 73	1-17-78	Lumberton, N.C.	Old Freight Station Retired and Sold
R-71, Sub 74	2-16-78	Nufarms, N.C.	Remove from Open and Prepay Tariff
R-71, Sub 78	6-12-78	Powers, N.C.	Team Track Retired and Removed—Non-Agency Station Discontinued—Remove from Open and Prepay Tariff
R-71, Sub 79	6-12-78	Roziers, N.C.	Team Track Retired and Removed—Non-Agency Station Discontinued. Remove from Open and Prepay Tariff
R-71, Sub 80	7- 6-78	Fayetteville, N.C.	Freight Agency Stations Relocated
R-71, Sub 83	11-28-78	Plymouth, N.C.	Freight Agency Station Relocated
		SOUTHERN RAILWAY COMPANY	
R-29, Sub 255	2- 7-78	Hickory, N.C.	Side Track Retired and Removed
R-29, Sub 265	3- 8-77	Winston-Salem, N.C.	Side Track Retired and Removed
R-29, Sub 266	4-13-77	Burlington, N.C.	Agency Station Relocated to Graham, N.C.—Freight and Passenger Depot Buildings Removed
R-29, Sub 267	5- 9-77	Woodfin, N.C.	Remove from Open and Prepay Tariff Stations at Woodfin, New Bridge, Elk Mountain, Emma, Boswell, and Sulphur Springs, N.C.
R-29, Sub 268	5-17-77	North Wilkesboro, N.C.	Side Track Retired and Removed
R-29, Sub 269	6- 3-77	Graham, N.C.	Side Track Retired and Removed
R-29, Sub 270	11- 4-77	Cooleemee, N.C.	Side Track Retired and Removed
R-29, Sub 271	7- 7-77	Gibsonville, N.C.	Side Track Retired and Removed
R-29, Sub 272	9-27-77	Raleigh, N.C.	Side Track Retired and Removed
R-29, Sub 273	9-28-77	Reidsville, N.C.	Passenger Service Discontinued at Reidsville and Concord, N.C.
R-29, Sub 274	9-28-77	Cumnock, N.C.	Remove from Open and Prepay Tariff
R-29, Sub 275	11-29-77	Spindale, N.C.	Remove Old Freight Depot Building and Construct New Building
R-29, Sub 276	1-17-78	Greensboro, N.C.	Side Track Retired and Removed
R-29, Sub 277	12-19-77	Lexington, N.C.	Side Track Retired and Removed

RETIREMENT AND ABANDONMENT OF STATIONS AND FACILITIES—(Continued)

Docket No.	Date of Order	Location of Facility (North Carolina)	Disposition of Facility
		SOUTHERN RAILWAY COMPANY (continued)	
R-29, Sub 278	6-13-78	Staley, N.C.	Non-Agency Station Building Removed
R-29, Sub 279	6-13-78	Biltmore, N.C.	Side Track Retired and Removed
R-29, Sub 280	6-14-78	Belews Creek, N.C.	Side Track Retired and Removed—Remove from Open and Prepay Tariff
R-29, Sub 281	9-18-78	Asheville, N.C.	Side Track Switch Removed
R-29, Sub 282	7- 5-78	Horseshoe, N.C.	Remove from Open and Prepay Tariff
R-29, Sub 283	7- 5-78	Lake Toxaway, N.C.	Remove from Open and Prepay Tariff
R-29, Sub 284	7- 5-78	North Wilkesboro, N.C.	Side Track Retired and Removed
R-29, Sub 285	7- 5-78	Summer Siding, N.C.	Change from Public to Private Siding
R-29, Sub 286	7- 6-78	Friendship, N.C.	Side Track Retired and Removed
R-29, Sub 288	7- 6-78	Shelby, N.C.	Side Track Retired and Removed
R-29, Sub 289	7- 6-78	Saunook, N.C.	Remove from Open and Prepay Tariff
R-29, Sub 290	7- 6-78	Willits, N.C.	Remove from Open and Prepay Tariff
R-29, Sub 291	7- 5-78	Hall, N.C.	Remove from Open and Prepay Tariff
R-29, Sub 292	7-27-78	Mt. Airy, N.C.	Side Track Retired and Removed
R-29, Sub 294	10-12-78	Henderson, N.C.	Agency Station Closed
R-29, Sub 296	10-24-78	Greensboro, N.C.	Freight Agency Force Relocated to New Location—Old Freight Agency Building Removed
R-29, Sub 297	9-29-78	Summerfield, N.C.	Side Track Retired and Removed—Remove from Open and Prepay Tariff
R-29, Sub 298	10- 2-78	Battle Ground, N.C.	Team Track Removed—Removed from Open and Prepay Tariff
R-29, Sub 300	12- 7-78	Woodleaf, N.C.	Public Team Track Retired and Removed—Change Status from Mobile Agency Station to Private Siding Station

E. RAIL CROSSINGS — ACCIDENTS AND INJURIES

There were 4,070 highway-railroad grade crossings in North Carolina in 1978, as compared with 4,048 in 1977. During 1978, there were 42 deaths and 169 injuries and in 1977 there were 33 deaths and 152 injuries at the rail-highway crossings. The Utilities Commission has very limited jurisdiction in the elimination of grade crossings and the erection of signaling devices at them. The jurisdiction over State highway system roads and links therein, including the proration of costs of relocation and signaling devices, is in the Highway Commission, with a statutory provision that 90% of such costs are to be borne by the Highway Commission.

F. COMMENTS — RAILWAY PASSENGER SERVICE

During the period since the end of World War II, the United States has witnessed a phenomenal growth in population and autos, expansion of cities and suburbs into larger cities, and the continuous movement of people from one area of the country to another. The states have been hard-pressed to build and maintain adequate highway systems to keep up with this movement; airlines and motor passenger carriers are continuing to increase their hauling capacity — yet, very few railroads continue their passenger service; instead, they are devoting their time and efforts to freight service only.

These situations have caused the Federal Government, and most states, to study and implement possible solutions to relieve the passenger transportation problems they are facing. Some of the larger cities in the United States have already implemented rapid transit systems. Most of the planned mass transportation methods under study and consideration will require major funding by Federal and/or State funds. Since July 1974, North Carolina has had a formal Public Transportation Division within the Department of Transportation to assist cities, urban and rural communities in the planning and implementation of adequate passenger transit systems. See the Transportation Industry — Motor Passenger Section for further comments on Public Transportation.

G. STATISTICAL SUMMARY DATA

a. Revision to the Uniform System of Accounts for Railroads.

Effective January 1, 1978, the Class I and II railroads began recording their operations in conformance with the revised Uniform System of Accounts. The revisions result in some expenses being reclassified as an operating expense and thereby affecting the calculation of the net revenue from railway operations and the operating ratio.

This change is reflected in the 1978 reports filed with the Commission, however, the 1977 data was not restated to reflect the changes, therefore, several of the line items such as total operating expenses, net revenues from railway operations and the operating ratios for the years 1977 and 1978 are not comparable. This data for 1978 and succeeding years should regain their comparability.

b. General Comments

Operating revenues of all the railroads increased in 1978 over 1977, 7.8% for the portion allocated to North Carolina and 2.5% for the total system. Operating expenses also increased in 1978, 27.4% for the North Carolina portion and 23.5% for total system. The magnitude of these increases over 1977 is influenced by the revisions to the Uniform System of Accounts for railroads.

The North Carolina operating ratio increased in 1978 to 96.7%, an 18.2% increase over the 1977 ratio of 81.8%. This increase indicates a lower margin of gross profit from operations and results directly from the increased operating expenses referred to above. (See Figure No. 70).

Louisville and Nashville, Norfolk and Western, and Southern Railway, three (3) of the five (5) Class I railroads operating in North Carolina had a net operating loss for their North Carolina operations in 1978. In the Class III railroads (all formerly Class II), eight (8) railroads had net operating losses in 1978, as compared with six (6) in 1977 and two (2) in 1976.

Passenger revenue decreased 6.6% in 1978 over 1977 increasing 6.0% in 1977 over 1976. The number of passengers hauled decreased 13.1% in 1978 over 1977, after decreasing 9.4% in 1977 over 1976.

Railway freight activity in North Carolina, as reflected by the tons of revenue freight originating in North Carolina, increased by 3.1% in 1978, as compared with a 1.5% decrease in 1977 over 1976. Figure No. 71 shows for several years the tons of freight, by major commodity groups, that originated in North Carolina. Changes in the commodity groups do not necessarily indicate the total state level of activity in these groups, since there are alternate modes of transportation available for their movement.

The number of employees residing in North Carolina and working for the railroads decreased by 54 in 1978 over 1977. However, average compensation for the workers increased by 7.7% for the same period, and reached an average of $18,791 for the 6,531 employees.

See Figure No. 72 for additional financial and statistical data on the operation of all railroads.

FIGURE NO. 70

RAILROAD CLASSES I, II & III
OPERATING REVENUES, EXPENSES & RATIOS

(North Carolina Data Only)
For the Years 1960, 1965, 1970, 1975-1978

(Dollars in Millions)

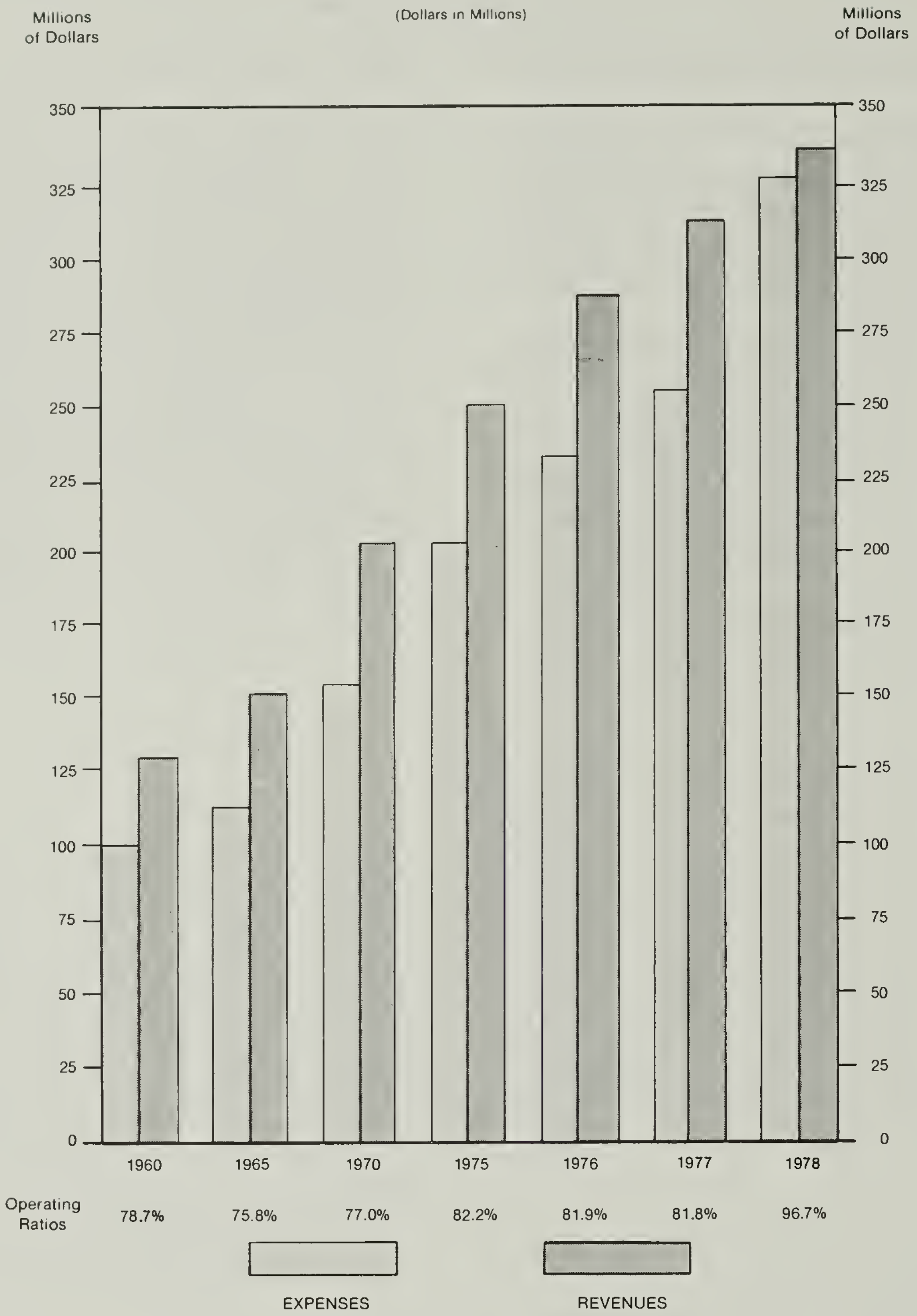


FIGURE NO. 71

TONS (2,000 LBS.) OF REVENUE FREIGHT BY COMMODITY TYPE ORIGINATING WITHIN THE STATE OF NORTH CAROLINA ON THE CLASS I & II RAILROADS UNDER REGULATION

Data for the Years 1960, 1965, 1970, 1975-1978

GROUP AND COMMODITY	TONS OF REVENUE FREIGHT ORIGINATING IN STATE (000'S)							% Change More (Less)
	1960	1965	1970	1975	1976	1977	1978	1978-1977
Group I — Products of Agriculture	766	1,488	2,125	3,195	3,621	2,587	2,696	4.2%
Group II — Animals and Products	36	7	22	9	9	10	12	20.0
Group III — Products of Mines	4,904	5,421	5,776	3,080	2,881	3,070	3,234	5.3
Group IV — Products of Forests	3,647	4,639	6,403	4,267	4,885	4,863	4,781	(1.7)
Group V — Manufacturers & Miscl.	4,294	5,884	8,832	9,007	9,260	9,880	10,342	4.7
Group VI — Forwarder Traffic	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.	N. Apl.
Group VII — All Less than Carload Freight (LCL)	92	33	7	51	63	-0-	3	300.0
Total for All Groups	13,739	17,472	23,165	19,609	20,719	20,410	21,068	3.2%

N. Apl. — Not Applicable

FIGURE NO. 72

RAILROADS—CLASS I, II AND III
SUMMARY OF SELECTED DATA—INCOME, EXPENSES, BALANCE SHEET AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975-1978
All Railroads Under Regulation Included in this Data

Items	Allocation of Data	CLASS I AND II							% Change More (Less) 1978-1977
		1960	1965	1970	1975	1976	1977	1978	
No. of Companies Covered by Data:		8	8	6	6	6	6	6	
Income & Expense Items (in thousands):									
Operating Revenues	N.C.	$ 120,401	$ 140,701	$ 192,795	$ 237,456	$ 272,756	$ 303,545	$ 327,693	8.0
	Total	1,083,951	1,592,074	2,072,069	2,838,455	3,270,778	3,552,363	3,640,573	2.5
Operating Expense[1]	N.C.	95,518	107,743	150,734	197,725	225,799	249,516	317,708	27.3
	Total	866,136	1,141,031	1,536,621	2,127,880	2,383,972	2,657,284	3,281,309	23.5
Net Revenue from Railroad Operations	N.C.	24,883	32,958	42,061	39,731	46,957	54,029	9,985	(81.5)
	Total	$ 217,815	$ 451,043	$ 535,448	$ 710,575	$ 886,806	$ 895,079	$ 359,264	(59.9)
Operating Ratio (Percent)	N.C.	79.3	76.6	78.2	83.3	82.8	82.2	96.9	17.9
	Total	79.7	71.7	74.2	75.0	72.9	74.8	90.1	20.5
Fixed Charges	Total	$ 48,233	$ 82,308	$ 123,631	$ 155,903	$ 161,612	$ 172,800	$ 172,724	-0-
Net Income	Total	128,663	184,718	182,430	252,814	338,754	340,329	341,555	.4
State Income Taxes	N.C.	N/A	412	370	584	607	992	947	(4.5)
Real Estate & Personal Property Taxes	N.C.	N/A	3,394	3,036	3,420	3,614	3,560	3,923	10.2
Other N.C. Taxes[2]	N.C.	N/A	758	2,625	4,279	4,582	5,290	5,669	7.2
Total Tax Accruals	N.C.	N/A	4,564	6,031	8,283	8,803	9,842	10,539	7.1
	Total	N/A	$ 156,653	$ 171,480	$ 264,376	$ 346,482	$ 329,627	$ 346,716	5.2
Balance Sheet Items (in thousands):									
Net Book Value—Transportation Property	Total	$2,873,588	$3,816,261	$4,597,303	$5,116,622	$5,216,140	$5,410,380	$5,575,762	3.1
Statistics:									
Average Mile of Road Operated	N.C.	3,722	3,743	3,705	3,691	3,690	3,656	3,074	(15.9)
	Total	25,434	30,343	29,873	30,310	30,378	30,190	29,447	(2.5)
Freight Revenue (in thousands)	N.C.	$ 104,098	$ 130,134	$ 181,027	$ 230,248	$ 264,975	$ 295,399	$ 308,615	4.5
	Total	$ 958,647	$1,449,866	$1,972,758	$2,751,770	$3,168,494	$3,444,710	$3,526,103	2.4
Tons of Revenue Freight Hauled (in thousands):	N.C.	63,636	86,772	107,529	99,140	104,239	110,541	108,806	(1.6)
	Total	348,481	506,307	559,173	635,355	550,359	568,161	566,367	(.3)
Freight Revenue Per Ton	N.C.	$ 1.64	$ 1.50	$ 1.79	$ 2.32	$ 2.54	$ 2.67	$ 2.84	6.4
	Total	$ 2.75	$ 2.86	$ 3.71	$ 4.33	$ 5.76	$ 6.06	$ 6.23	2.8
Gallons Diesel Fuel Purchased or Used (in thousands)	N.C.	41,614	49,949	59,518	59,748	62,061	57,900	71,132	22.9
Passenger Revenue (in thousands)	N.C.	$ 8,795	$ 7,550	$ 4,675	$ 1,259	$ 1,317	$ 1,401	$ 1,309	(6.6)
Passengers Hauled (in thousands)	N.C.	2,009	1,764	928	169	160	145	126	(13.1)
Revenue per Passenger	N.C.	$ 4.38	$ 4.28	$ 5.04	$ 7.46	$ 8.23	$ 9.66	$ 10.42	7.9
No. of Employees Allocated	N.C.	9,978	7,802	6,926	6,556	6,028	6,319	6,284	(.6)
Total Compensation of Employees (in thousands)	N.C.	$ 56,258	$ 53,604	$ 66,378	$ 92,890	$ 101,781	$ 110,405	$ 119,260	8.0
Average Annual Compensation per Employee	N.C.	$ 5,163	$ 6,871	$ 9,584	$ 14,169	$ 16,885	$ 17,472	$ 18,978	8.6
Highway-Railroad Grade Crossings	N.C.	3,779	3,448	3,498	3,475	3,478	3,448	3,376	(2.1)
No. Killed—Grade Crossing Accidents	N.C.	N/A	57	39	25	32	28	39	39.3
No. Injured—Grade Crossing Accidents	N.C.	N/A	133	175	129	116	147	163	10.9

[1] Before Tax Accruals and Net Rent
[2] Includes Franchise Taxes
[3] All Class II Railroads did not report
[4] All Class II Railroads except two are wholly intrastate
[5] The magnitude of these changes due largely to changes in reporting requirements (revisions to the Uniform System of Accounts for Railroads).
N/A Not Available

FIGURE NO. 72—Continued

RAILROADS—CLASS I, II AND III
SUMMARY OF SELECTED DATA—INCOME, EXPENSES, BALANCE SHEET AND STATISTICAL ITEMS
For the Calendar Year 1960, 1965, 1970, 1975-1978
All Railroads Under Regulation Included in this Data

Items	Allocation of Data	CLASS III							% Change More (Less) 1978-1979
		1960	1965	1970	1975	1976	1977	1978	
No. of Companies Covered by Data:		21	21	17	17	17	17	17	
Income & Expense Items (in thousands):									
Operating Revenues	N.C.	$ 7,104	$ 8,619	$ 11,603	$ 12,702	$ 14,367	$ 14,506	$ 15,074	3.9
	Total	9,913	11,390	16,371	17,458	18,929	19,599	20,297	3.6
Operating Expenses[1]	N.C.	4,771	5,483	6,630	7,827	9,282	10,670	13,812	29.4
	Total	6,888	7,624	9,862	10,585	12,045	13,669	18,465	35.1
Net Revenue from Railroad Operations	N.C.	2,333	3,136	4,973	4,875	5,085	3,836	1,262	(67.1)
	Total	$ 3,025	$ 3,766	$ 6,509	$ 6,873	$ 6,884	$ 5,930	$ 1,832	(69.1)
Operating Ratio (Percent)	N.C.	67.2	63.6	57.1	61.6	64.6	73.6	91.6	24.5
	Total	69.5	66.9	60.2	60.6	63.6	69.7	91.0	30.6
Fixed Charges	Total	$ 485	$ 615	$ 1,227	$ 492	$ 313	$ 298	$ 308	3.4
Net Income	Total	(211)	399	1,758	1,991	2,089	1,813	3,104	71.2
State Income Taxes	N.C.	N/A	35	129	116	104	67	107	59.7
Real Estate & Personal Property Taxes	N.C.	N/A	157	122	133	142	140	141	.7
Other N.C. Taxes[2]	N.C.	N/A	331	870	112	121	110	97	(11.8)
Total Tax Accruals	N.C.	N/A	523	1,121	361	367	316	344	8.9
	Total	N/A	$ 848	$ 1,950	$ 2,422	$ 2,398	$ 1,543	$ 1,184	(23.3)
Balance Sheet Items (in thousands):									
Net Book Value—Transportation Property	Total	$ 11,797	$ 17,799	$ 22,007	$ 16,235	$ 16,532	$ 16,990	$ 17,189	1.2
Statistics:									
Average Mile of Road Operated	N.C.	697	721	635	478	478	478	465	(2.7)
	Total	1,037	1,028	945	661	661	661	623	(5.7)
Freight Revenue (in thousands)	N.C.	$ 6,930	$ 8,261	$ 11,442	$ 12,226	$ 13,574	$ 13,687	$ 13,823	1.0
	Total	$ 9,696	$ 10,954	$ 15,830	$ 17,043	$ 18,536	$ 19,101	$ 19,219	.6
Tons of Revenue Freight Hauled (in thousands):	N.C.	7,348	9,961	11,155	7,542	6,991	7,203	6,762	(6.1)
	Total	9,009	11,464	13,444	9,515	8,730	8,682	8,276	(4.7)
Freight Revenue Per Ton	N.C.	$ .94	$ .83	$ 1.04	$ 1.62	$ 1.94	$ 1.90	$ 2.04	7.4
	Total	$ 1.08	$ .96	$ 1.22	$ 1.79	$ 2.12	$ 2.20	$ 2.32	5.5
Gallons Diesel Fuel Purchased or Used (in thousands)	N.C.	1,286	1,757	2,271	1,725	1,780	1,692	1,641	(3.0)
Passenger Revenue (in thousands)	N.C.	$ 2	$ 1	N/A	-0-	-0-	-0-	-0-	-0-
Passengers Hauled (in thousands)	N.C.	4	1	N/A	-0-	-0-	-0-	-0-	-0-
Revenue per Passenger	N.C.	.51	.70	N/A	-0-	-0-	-0-	-0-	-0-
No. of Employees Allocated	N.C.	599	584	414	313	310	266	247	(7.1)
Total Compensation of Employees (in thousands)	N.C.	$ 2,514	$ 2,851	$ 3,089	$ 3,335	$ 3,691	$ 3,545	$ 3,462	2.3
Average Annual Compensation per Employee	N.C.	$ 3,529	$ 4,331	$ 7,463	$ 10,655	$ 11,907	$ 13,325	$ 14,015	5.2
Highway—Railroad Grade Crossings	N.C.	640	973	864	589	600	600	694	15.7
No. Killed—Grade Crossing Accidents	N.C.	N/A	7	-0-	-0-	-0-	5	3	(40.0)
No. Injured—Grade Crossing Accidents	N.C.	N/A	11	8	6	5	5	6	20.0

[1] Before Tax Accruals and Net Rent
[2] Includes Franchise Taxes
[3] All Class II Railroads did not report
[4] All Class II Railroads except two are wholly intrastate
[5] The magnitude of these changes due largely to changes in reporting requirements (revisions to the Uniform System of Accounts for Railroads).
N/A Not Available

FIGURE NO. 72—Continued

RAILROADS—CLASS I, II AND III
SUMMARY OF SELECTED DATA—INCOME, EXPENSES, BALANCE SHEET AND STATISTICAL ITEMS
For the Calendar Year 1960, 1965, 1970, 1975-1978
All Railroads Under Regulation Included in this Data

Items	Allocation of Data	GRAND TOTAL—Class I, II & III[4]							% Change More (Less) 1978-1977
		1960	1965	1970	1975	1976	1977	1978	
No. of Companies Covered by Data:		29	29	23	23	23	23	23	
Income & Expense Items (in thousands):									
Operating Revenues	N.C.	$ 127,505	$ 149,320	$ 204,398	$ 250,158	$ 287,123	$ 318,051	$ 342,767	7.8
	Total	1,093,864	1,603,464	2,088,440	2,855,913	3,289,707	3,571,962	3,660,870	2.5
Operating Expenses[1]	N.C.	100,289	113,226	157,364	205,552	235,081	260,186	331,520	27.4 [5]
	Total	873,024	1,148,655	1,546,483	2,138,465	2,396,017	2,670,953	3,299,774	23.5 [5]
Net Revenue from Railroad Operations	N.C.	27,216	36,094	47,034	44,606	52,042	57,865	11,247	(80.6)[5]
	Total	$ 220,840	$ 454,809	$ 541,957	$ 717,448	$ 893,690	$ 901,009	$ 361,096	(59.9)[5]
Operating Ratio (Percent)	N.C.	78.7	75.8	77.0	82.2	81.9	81.8	96.7	18.2 [5]
	Total	79.8	71.6	74.1	74.9	72.8	74.8	90.1	20.5 [5]
Fixed Charges	Total	$ 48,718	$ 82,923	$ 124,858	$ 156,395	$ 161,925	$ 173,098	$ 173,032	-0-
Net Income	Total	$ 128,452	$ 185,117	$ 184,188	$ 254,805	$ 340,843	$ 342,142	$ 344,659	.7
State Income Taxes	N.C.	N/A	447	499	700	711	1,058	1,054	(.4)
Real Estate & Personal Property Taxes	N.C.	N/A	3,551	3,158	3,554	3,756	3,700	4,064	9.8
Other N.C. Taxes[2]	N.C.	N/A	1,089	3,494	4,391	4,703	5,400	5,765	6.8
Total Tax Accruals	N.C.	N/A	5,087	7,151	8,644	9,170	10,158	10,883	7.1
	Total	N/A	$ 157,501	$ 173,425	$ 266,798	$ 348,880	$ 331,170	$ 347,900	5.1
Balance Sheet Items (in thousands):									
Net Book Value—Transportation Property	Total	$2,885,385	$3,834,060	$4,619,310	$5,132,857	$5,232,672	$5,427,370	$5,592,951	3.1
Statistics:									
Average Mile of Road Operated	N.C.	4,419	4,464	4,340	4,169	4,169	4,134	3,539	(14.4)
	Total	26,471	31,371	30,818	30,971	31,039	30,851	30,070	(2.5)
Freight Revenue (in thousands)	N.C.	$ 111,028	$ 138,395	$ 192,469	$ 242,474	$ 278,549	$ 309,086	$ 322,438	4.3
	Total	$ 968,343	$1,460,820	$1,988,588	$2,768,813	$3,187,030	$3,463,811	$3,545,322	2.4
Tons of Revenue Freight Hauled (in thousands):	N.C.	70,984	96,733	118,684	106,682	111,230	117,744	115,568	(1.8)
	Total	357,490	517,771	572,617	644,870	559,089	576,843	574,643	(.4)
Freight Revenue Per Ton	N.C.	$ 1.56	$ 1.43	$ 1.72	$ 2.27	$ 2.50	$ 2.63	$ 2.79	6.1
	Total	$ 2.71	$ 2.82	$ 3.65	$ 4.29	$ 5.70	$ 6.00	$ 6.17	2.8
Gallons Diesel Fuel Purchased or Used (in thousands)	N.C.	42,900	51,706	61,789	61,473	63,840	59,592	72,773	22.1
Passenger Revenue (in thousands)	N.C.	$ 8,797	$ 7,551	$ 4,675	$ 1,259	$ 1,317	1,401	1,309	(6.6)
Passengers Hauled (in thousands)	N.C.	2,013	1,765	928	169	160	145	126	(13.1)
Revenue per Passenger	N.C.	$ 4.37	$ 4.28	$ 5.04	$ 7.46	$ 8.23	$ 9.66	$ 10.42	7.9
No. of Employees Allocated	N.C.	10,577	8,386	7,340	6,869	6,338	6,585	6,531	(.8)
Total Compensation of Employees (in thousands)	N.C.	$ 58,772	$ 56,455	$ 69,467	$ 96,225	$ 105,472	$ 113,949	$ 122,722	7.7
Average Annual Compensation per Employee	N.C.	$ 5,557	$ 6,732	$ 9,464	$ 14,009	$ 16,641	$ 17,304	$ 18,791	8.6
Highway—Railroad Grade Crossings	N.C.	4,419[3]	4,421	4,362	4,064	4,078	4,048	4,070	.5
No. Killed—Grade Crossing Accidents	N.C.	N/A	64	39	25	32	33	42	27.3
No. Injured—Grade Crossing Accidents	N.C.	N/A	144	183	135	121	152	169	11.2

[1] Before Tax Accruals and Net Rent
[2] Includes Franchise Taxes
[3] All Class II Railroads did not report
[4] All Class II Railroads except two are wholly intrastate
[5] The magnitude of these changes due largely to changes in reporting requirements (revisions to the Uniform System of Accounts for Railroads).
N/A Not Available

XII. Investigation And Enforcement

INVESTIGATION AND ENFORCEMENT

G.S. 62-277 of the Public Utilities Act of 1963, which became effective January 1, 1964, vested the Transportation Inspectors and Special Investigators employed by the Commission with the same enforcement and police powers as members of the State Highway Patrol in enforcing provisions of the law applicable to motor transportation for which the Utilities Commission has responsibility. The Commission has eleven (11) of these inspectors domiciled throughout the State.

During 1976, 1977 and 1978, these inspectors made investigations or inspections and traveled as shown on Figure No. 73.

During 1978, the inspectors, working at check points throughout the State, inspected 903 buses in detail and made limited inspections and observations of over 14,000 trucks. A vehicle discovered to have defects which would render it hazardous to operate is grounded on the spot, and required to be repaired before being allowed to proceed. This inspection program has contributed much to the safety of the general traveling public and to the motor carrier operations conducted over the highways of this State.

During the course of a year, the transportation inspectors and special investigators:

(a) Inspect and grade all bus and railroad passenger stations in the State every thirty (30) days;

(b) Inspect freight terminals to insure that the movement of freight is kept current, and that facilities have adequate sanitation, safety, security, and space for handling of freight;

(c) Inspect motor carriers home offices to insure correct and adequate maintenance of economic, driver and safety records;

(d) Make numerous random inspections of shipping documents, motor carrier operations, and cargoes of vehicles engaged in either intrastate or interstate movements of commodities and passengers for conformity with either the North Carolina Public Utilities Act or the Interstate Commerce Act by cooperative agreement authorized under Public Law 89-170;

(e) Make numerous random inspections of vehicles, drivers, containers, packaging, shipping documents, labels, markings, and cargoes of vehicles engaged in either intrastate or interstate "for-hire" movements of commodities and passengers for conformity with the Federal Motor Carrier Safety Regulations, Parts 390-398, and the Federal Hazardous Materials Regulations, Parts 170-190, of the U.S. Department of Transportation as adopted under the Commission's rule making process and by cooperative agreement authorized under Public Law 89-170;

(f) Furnish information, and file written reports, on irregularities of vehicles, drivers, motor carrier operations, and cargoes of vehicles engaged in interstate movements of commodities and passengers to the Interstate Commerce Commission and the U.S. Department of Transportation through cooperative agreements authorized under Public Law 89-170;

(g) Investigate, and file written reports on, complaints and irregularities of vehicles, drivers, motor carrier operations, and cargoes of vehicles engaged in intrastate movements of commodities and passengers for the Commission;

(h) Assess penalties and registration fees to interstate motor carriers not in compliance with registration and insurance requirements of the Commission, pursuant to G.S. 62-266;

(i) Make an investigation of, and file a written report on, select motor carrier accidents resulting in the loss of life, serious bodily injury, or property damage in excess of $5,000 and give conclusions as to the underlying causes of the accident; and

(j) File written reports on all assigned initiated actions for compliance with Commission statutes and rules regarding complaints, inspections, surveys, investigations, surveillances, service of process, and litigations.

All infractions of safety rules on equipment discovered during the process of an inspection are reported to the Commission. During 1977 and 1978, there were 282 buses each year which were found to have defects. Of the above defective buses, there were 55 each year which failed to pass the equipment and safety factor inspections by the Commission personnel and were grounded on the spot.

All infractions of the economic rules on motor carrier operations discovered during the process of highway inspections and investigations are reported to the Commission. During 1978, there were 2,270 violations of which 1,638 were interstate motor carrier operations lacking compliance with registration and insurance requirements, resulting in $33,169 in fees and penalties being collected.

Bus stations and rail stations are inspected for sanitary and passenger comfort. Each station inspected is graded, and a report is made to the Commission. During 1978, 560 of the 785 bus stations graded were found to need improvement. During the same period, railroad stations were found to need improvement on 14 of the 60 inspections. Under this grading system, 23,945 demerits were issued against bus terminals and 360 demerits against railroad stations.

Thousands of vehicles of the regulated motor freight carriers and exempt "for-hire" motor freight carriers were checked for equipment safety factors. During 1977, there were 16,768 defects detected and corrected, and in 1978, there were 15,821.

FIGURE NO. 73

SUMMARY OF INVESTIGATIONS AND INSPECTIONS FOR THE CALENDAR YEARS 1976-1978

	Number of Items Investigated or Inspected			Vehicles Without Defects			Vehicles With Defects Not Grounded			Vehicles With Defects-Grounded			Number of Violations on Vehicles With Defects		
	1976	**1977**	**1978**	**1976**	**1977**	**1978**	**1976**	**1977**	**1978**	**1976**	**1977**	**1978**	**1976**	**1977**	**1978**
Number of Full Time Inspectors	11	11	11												
Stations—For Adequacy & Sanitation:															
Bus	791	798	785	260	263	225									
Railroad	76	63	60	44	52	46									
Equipment & Safety Factors:															
Buses	1,312	982	903	963	700	621	258	227	227	91	55	55	716	660	627
Railroad	5,675	5,222	4,202	1,636	1,383	858	3,125	3,051	2,652	914	788	692	15,032	16,768	15,821
Compliance with Rules:															
Freight Terminals	303	233	162												
Home Office Records	258	274	250												
Driver Safety Records	274	298	277												
Economic Factors:															
Vehicles & Commodities	8,838	8,440	8,377												
Violations Reported	1,956	2,204	2,270												
Status Reports Issued	128	137	127												

Action Initiated by the Commission: Due to Complaints by the Consuming Public and Competitions:	1976	1977	1978
Bus Companies	55	68	49
Truck Companies	215	366	239
Railroads	43	35	128
Other (Gas, Water, Elec., Telephone)	17	10	19
Accidents (Bus-Truck)	7	9	13
Accuracy & Methods of Quoting Schedules (Buses)	139	232	219
Show Cause Orders Served:	31	59	48

Total Miles Traveled by Inspectors:

	1976	1977	1978
By Bus	1,921	2,094	905
By Railroad	-0-	-0-	-0-
By Car	283,528	321,408	315,972
TOTAL	285,449	323,502	316,877
Fees Collected by Inspectors:			
Penalties & Registration	$29,686	$29,035	$33,169

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